



Daily Report

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Government Urges UN To Help Developing Nations

OW2011044491 Beijing XINHUA in English
0314 GMT 20 Nov 91

[Text] Vienna, November 19 (XINHUA)—China today urged the United Nations Industrial Development Organization (UNIDO) to continue promoting the industrialization of developing countries.

Addressing the plenary session of UNIDO's fourth general conference, Tong Zhiguang, China's vice minister of foreign economic relations and trade, said although dramatic changes had taken place in the world situation, UNIDO's mandate to promote and accelerate the industrialization of the developing countries remained unchanged.

He called on UNIDO to carry out more action-oriented activities in a more effective way, and to continue its efforts to promote the industrial development of developing countries and international industrial cooperation.

He pointed out that in the present situation, the gap between the North and South in economic development was even wider. Increasing external debts, serious reversal flows of resources and worsening trade conditions were among problems plaguing most developing countries.

"All these have severely hampered the development of the world economy and threatened world peace and stability," he stressed.

Thus, narrowing the gap between the North and South and seeking mutual development had become the common objective and responsibility of the international community, said Tong. Tong also heads the Chinese delegation.

He said members of the international community should help each other and pull together for the establishment of a new international economic order.

Every country had the right to choose its own social, political and economic systems and its own path of development. But "no country should interfere in the internal affairs of others and impose its own values, ideologies or modalities of development on others," the vice minister said.

He held that donor countries, while providing assistance, should fully respect the sovereignty of recipient countries.

"No political condition of modalities should be imposed on the recipient countries in order to avoid deterioration in the economy and social uncertainties in these countries," he stated.

Referring to external debts and industrial development, Tong said the international community should increase the funds flow to developing countries and relax the restrictive conditions for loans.

Developed countries should fulfill their obligations and increase their assistance to developing countries in favorable and concessional terms, so as to reach the assistance target the developing countries set by the United Nations, he said.

He suggested the creditor countries adopt more favorable debt-reimbursement strategies, putting emphasis on how to promote the economic development of the debtor countries and enhance their capability of repayment.

On the issue of environment and development, Tong said most developing countries were still in the primary stage of the industrialization process, with the tasks of shaking-off poverty, and promoting economic development and environmental protection.

The most difficult problem facing them was lack of financial resources and technologies, he admitted.

Therefore, he called on the developed countries [to] take the lead in the field of environmental protection, take up more responsibilities and obligations and provide more concrete support to developing countries.

Tong also recalled China's cooperation with UNIDO in recent years.

Article Views Western European Policy on USSR

HK1911002391 Beijing SHIJIE ZHISHI in Chinese
No 20, 16 Oct 91 pp 20-21

[Article by Chen Xuansheng (7115 1357 5110): "Western Europe's Present Policies Towards Soviet Union"]

[Text] West European countries are showing unprecedented concern over changes in the development of the state of affairs in the Soviet Union, while developing very busy diplomatic activities with it. The trend in the Soviet political situation has a direct bearing on West European security and economic interests and, to a certain degree, affects the stability of the political situation in West European countries. Presently, the basic concept of West European countries' policies toward the Soviet Union is to more actively exert influence on the Soviet Union by taking advantage of the grave difficulties it is facing with greater reliance on the West. The short-term goal is to stabilize the Soviet Union to prevent the any major turmoil surfacing and then, on such basis, to urge the Soviet Union to accelerate the progress of "reforms," push the Soviet situation's continued development in a direction favorable to Western Europe, and eventually to include the Soviet Union completely and thoroughly on the track of Western value concepts.

An Assessment of Soviet Domestic Situation

West European countries hold the view that "the Soviet reform is absolutely irreversible" (quoting British Prime Minister John Major) in the wake of recent incidents and the progress of "reform" will accelerate. At the same time, they believe the union's disintegration will greatly reduce the operational ability of the Soviet central authorities,

resulting in the USSR losing its original initiative and offensive momentum in foreign affairs. The Soviet ability to participate in international affairs, as well as its military strength and effectiveness, have greatly shrunk. The Soviet domestic economic situation will continue to worsen, its political situation become more severe, and its nationality contradictions will become increasingly acute. West European countries are universally worried about the possibility that delay in appropriately handling these problems could bring about another drastic change in the Soviet political situation. Former British Prime Minister Mrs. Thatcher admonished the West that "it is imperative to heighten vigilance."

More Words Than Deeds in Aiding Soviet Union

In the wake of recent incidents, the EEC rapidly restored suspended aid projects for the Soviet Union; in addition, a decision was made to call a special EEC summit focusing on aid for the Soviet Union. During his visit to the United States on 13 September, German Chancellor Kohl emphasized: "The West must lose no time in helping future Soviet democratic and economic reform through joint efforts and in a comprehensive way." He also called on the West "not to miss the new opportunity in helping the Soviet Union accomplish a final success of historical significance." Mitterand also stated that no additional conditions should be insisted on in aiding the Soviet Union under the current circumstances. The Italian foreign minister said that now "the danger of providing funds to the West's enemy no longer exists." That West European countries focus on the necessity and pressing nature of providing aid to the USSR is chiefly based on the following considerations: first, to pull and urge the Soviet Union to move faster and farther along the road of "democratization" by taking advantage of the incidents and using aid as the means; and second, their anxiety that the shortage of such means of subsistence as food and energy resources will give rise to major turmoil.

A problem today is that the West European countries all have some economic difficulties of their own. Germany has provided aid in various categories totaling \$43 billion since 1989, accounting for over 50 percent of the West's volume of aid to the USSR. This is in addition to \$57 billion investment in eastern Germany and \$11 billion aid to Eastern Europe, bringing its financial burden to breaking point. The amount of aid from Italy and France was \$5.5 billion and \$1.4 billion respectively. This being the case, West European countries emphasized that it is now up to the United States and Japan to "make greater contributions."

U.S. aid to the USSR is preconditioned, namely, the USSR must effectively implement a market-oriented economy and cut back military expenditures by a wide margin. It is estimated that the United States will be more active than before in helping the USSR accelerate the transition to the market-oriented economy. Enter the IMF and the World Bank. However, the United States has been rather meticulous, showing great concern for and nurturing some doubts about the changes in the Soviet political situation and Japan continues to insist

on the return of the four northern islands as the major condition. Generally, therefore, on the issue of aid for the USSR, the Western countries will confine their actions to "humanitarian" support and food aid. Major action is hardly likely to surface.

Sustaining a Loose Union

Presently, 12 Soviet republics in the USSR have already proclaimed independence. Aside from recognizing the independence of the three Baltic states, Western Europe takes a meticulous attitude toward the other Soviet republics proclaiming independence, which none of the West European countries has so far recognized, while emphasizing the fact that the conditions in the three Baltic states "do not apply to other Soviet republics." It seems that West European countries will determine their relative positions in accordance with the Soviet treaty on the new union and the attitude of the Soviet central authorities. Western Europe holds the view that sustaining a loose Soviet Union will be more favorable to the West than a disintegrated Soviet Union. Should the Soviet Union disintegrate completely, it would basically foul the West's general strategic concept. The existence of a weak but somewhat unified Soviet Union would not pose a threat to Western Europe. Furthermore, West European countries can compel the Soviet Union to continue to perform such obligations as nuclear and conventional disarmament and repayment of foreign debts. From a long-range view, it will be more helpful to gradually include the Soviet political and economic structure in the Western system. This is the major consideration for Western Europe in its hopes for stability in the Soviet situation.

Starting From Western European Interests

West European countries believe that in the wake of the incidents, Yeltsin has become a conspicuous figure with substantial power in the USSR. West European countries hold the view that presently, Gorbachev and Yeltsin each have their own irreplaceable role. Gorbachev has established rather close cooperative and personal relationship with leaders of major West European countries over the past few years. The German Chancellor Kohl, the French President Mitterand, and former British Prime Minister Mrs. Thatcher all believe that Gorbachev has been a "good person in dialogue" and a "sound partner in cooperation" with the West. Regarding Yeltsin, West European countries believe that "the radical line" he pursues is in greater conformity with Western strategic interests from a long-range view. Consequently, it is necessary to appropriately elevate his status; however, they are not quite at ease with some of his practices, for example, the issue of Russia "redefining the boundaries" made some West European countries feel rather tense lest the issue give rise to new and complicated issues for the USSR and even Europe. This being the case, Western Europe has adopted the principle of "without discrimination" and "encouraging cooperation" with regards to Gorbachev and Yeltsin. British Prime Minister John Major met with Gorbachev and

Yeltsin on separate occasions during his recent Soviet visit, placing them on a par; the fact that the EEC has decided to officially invite Gorbachev and Yeltsin to the October Hague EEC Summit has proved this. Western Europe believes that by adopting the aforesaid principle regarding Gorbachev and Yeltsin it is capable of preventing turbulence in the domestic political situation in the Soviet Union, while sustaining the continuity of the Soviet foreign policy, which is favorable to West European countries, to the maximum.

In a nutshell, West European countries are doing their best to grasp the opportunity favorable to Western Europe and expand their influence inside the Soviet Union in a big way. Presently, their policies toward the Soviet Union include Western Europe's far-reaching strategic considerations.

Article on U.S. Response to Soviet Changes

HK1911090891 Beijing SHIJIE ZHISHI in Chinese
No 20, 16 Oct 91 pp 12-13

[Article by Yang Hua (2799 5478): "Putting on One-Man Show Is More Difficult—Commenting on Repercussions in United States Evoked by Drastic Changes In Soviet Union"]

[Text] The series of incidents that has taken place in the past several months has caused drastic changes to the face of the Soviet Union. From being a superpower which could contend with the United States, the Soviet Union has found itself in a situation of disintegration. It seems that the United States will put on a one-man show in the boxing ring scramble for hegemony. Such a situation has given rise to a heated debate on the U.S. future national strategy, which can be said to include almost everything, such as how to deal with the Soviet Union and whether or not the "Star Wars" program should continue. The focus of the debate is, now that the Soviet Union is in on the decline, what will the United States do?

Trilogy of Feeling Surprised, Pleased, and Anxious

Because the Soviet Union has been an old opponent of the United States for more than 40 years after World War II, the slightest rustle of leaves in the wind will shake up and evoke various repercussions in the United States. The recent sudden changes in the Soviet situation have put the United States in an extremely nervous state. Someone put it that it is like accepting an intense psychological test. The United States has gone through a psychological change from turning pale with fright to being wild with joy and from being wild with joy to being laden with anxieties in a short space of time.

Like a bolt from the blue, the news of the 19 August incident destroyed the wishful thinking of the United States. All of a sudden, there was great confusion within both the ruling and opposition parties, which seemed to be faced with imminent disaster. According to a U.S. military officer cited by THE WASHINGTON POST, "during the three anxious days," the United States

"quietly adopted hundreds of secret measures to reinforce its combat readiness worldwide." Later, when the Soviet situation took a 180-degree turn, the United States was overjoyed, for this change "tallied with the policy goals of and was favorable to the United States." In addition, some people and publications in the United States even gave it wide publicity, saying that the West's values and "the doctrine of the United States" had scored a victory. They even sang the praises of the United States without mincing words, saying that it had "played an important role" in bringing about changes in the Soviet situation. A report carried by WORLD DAILY in New York even expressed extreme surprise at the fact that the Soviet Union "allowed the West and the United States to interfere" and "did nothing to stop such interference." The report gave an explanation: "This may be because the two superpowers have fought to the bitter end for the past 45 years, and their relations have become so closely intertwined that the two can hardly be parted from each other." As a result, during the course of the incident, "even when the U.S. President made frequent telephone contacts with the president of the Russian Republic to cheer him up, no one accused the United States and the West of interfering in the Soviet Union's internal affairs." However, alongside the developing events, the joy of the United States gradually became worry. They began to realize that the entire Soviet situation faces an immense danger of going out of control and that no one can predict the consequences of such an "uncontrollable process." There are two grave issues for the time being: One is whether or not the disintegration of the union and the rise of nationalism will force the Soviet Union to follow in the footsteps of Yugoslavia and large-scale internal wars breaking out; the other is that under the present situation with insufficient supplies of food and fuel, how the Soviet Union will manage through its severe winter and ensure that no greater social upheavals will be touched off by people living in hunger and cold. To go through the severe winter, the Soviet Union has asked the United States and the West to provide it with more than \$14 billion worth of emergency food and medical aid. However, the United States has so far promised to give only a \$315 million loan on credit, which is like putting out a burning cartload of twigs with a cup of water. It needs at least \$150 billion to save its crisis-ridden economy. To such a request, the United States, which already has financial deficits as high as \$350 billion, is willing to help but is unable to do so. One bigger problem is that, as is pointed out by an article carried by U.S. NEWS AND WORLD REPORT, no one in the United States knows who will in the end control this former "evil empire." Neither can anyone guarantee that the republics of the Soviet Union "will not turn against the West one day."

From astonishment to joy, and from joy to anxiety, alongside the dramatic changes in the Soviet situation, a dramatic change has also taken place in the psychological state of the United States, and such a change will always center around a constant axis, that is, "the interests of

the United States." The United States is quite frank about and makes no secret of this.

What Are "the Interests of the United States?"

However, the Americans always lack a consensus on the definition of "the interests of the United States." This was quite prominent in the debate on U.S. policy toward the Soviet Union, which was triggered by the drastic changes in the Soviet situation.

To those "idealists" who flaunt the banner of "moral standards," the drastic changes in the Soviet Union mainly indicates the victory of "the West's outlook of value." They believe that now the Soviet Union has finally headed for "democratic politics," "market economy," and "national self-determination," which are all the goals set by the United States. They urge efforts to seize the best opportunity in a century to further disintegrate and destroy the Soviet Union and bring the 15 republics into the system of the capitalist world. They criticize the Bush administration for its lack of strategic conceptions in its policy toward the Soviet Union, falling short of the demands of the times, remaining undecided in its attitude, and resting content with the existing state of affairs. They even accuse the Bush administration of "yearning for the past" and being reluctant to abandon "outdated" Soviet leaders. Former U.S. National Security Adviser Zbigniew Brzezinski even asked the United States to immediately stop using such expressions as "the people of the Soviet Union."

On the other hand, those "realists" who lay more stress on reality call for efforts to consider the security interests of the United States, while persistently upholding the American ideological goals. According to them, the drastic changes in the Soviet Union indicated that although Moscow can no longer constitute an ideological threat to the United States, the disintegration of the Soviet Union will bring about a series of difficult problems to the United States. First, who can take over the position of the Soviet Union and shoulder so many international obligations? Politically, the Soviet Union is one of the countries which founded the United Nations and also one of the five permanent member states of the UN Security Council. What kind of an impact will the disintegration of the Soviet Union exert on the United Nations, which has undertaken great responsibility in safeguarding world peace and security in the past nearly half a century? Militarily, the Soviet Union has signed a series of arms control agreements with the United States, and the agreements entered in recent years are of great significance to the military security of the United States, including those on the destruction of intermediate-range missiles and reduction of both conventional and strategic armaments. If the Soviet Union is disintegrated, who can guarantee the implementation of these agreements? Economically, the Soviet Union owes the United States and the West a debt of as high as \$70 billion, and it now continues to ask the West for huge amounts of financial aid. If the Soviet Union is disintegrated, who can guarantee the repayment of the debt? Second, does it

conform to the interests of the United States that the unified Soviet Union changes into a number of nationality-based countries? From a short-term point of view, the rise of nationalism may give rise to internal wars in the Soviet Union, which will inevitably exert an unbearably great impact on the United States and the West. Putting other things aside, the emergence of millions of "war refugees" alone will seriously sabotage the stability of the United States and the West. From a long-term point of view, it is all the more unpredictable whether it is good or bad for the United States if a great Russia emerges which possesses "super nuclear weapons" and pursues the policy of chauvinism. Third, will the entire postwar strategic framework of the United States be disintegrated alongside the disintegration of the Soviet Union? Over a long period of time, facing the threat of the Soviet Union, the United States has managed to maintain NATO and the Japanese-U.S. security system through providing a "nuclear umbrella" to Europe and Japan. If the Soviet Union is disintegrated, this strategic bearing point will disappear completely. In this case, on what grounds and in which ways can the United States maintain its political and military presence in Europe or maintain its special relations with Japan? Under the situation in which economic competition and frictions between the United States, Japan, and Europe are becoming increasingly acute, how can the United States continue to impose control over Europe and Japan, and thus save its position as the chief of Western allies. Fourth, a more urgent question is how to dispose of the nuclear weapons of the Soviet Union. If it is disintegrated, the Soviet Union will probably become three nuclear countries, because there are Soviet nuclear bases on at least the territories of Russia, Ukraine, and Kazakh. What kind of an impact will this bring about to the policy of nuclear-proliferation control which the United States has persistently carried out for many years? They believe, therefore, that the aforementioned and many other factors leading to instability will constitute a grave challenge to the security interests of the United States. Because of this, they suggest that the United States take a prudent attitude toward the Soviet Union, and refrain from taking any risks of "being overanxious for success." Except three Baltic republics, the United States should try every means to enable other Soviet republics to maintain some kind of coalition relations and centralized state powers. They believe that only in this way can "the interests of the United States" be met.

There are many contradictory views in both the ruling and opposition parties on the issues concerning U.S. policy toward the Soviet Union. However, from the controversies over differing opinions, we can see one point, that is, although drastic changes are taking place in the Soviet situation, the Soviet Union, which has perplexed the United States for more than 40 years, will continue to bewilder the United States for a considerable period of time in the future.

How To Learn the "Lessons of the Soviet Union?"

What caused the Soviet Union to decline? Views on this issue also differ greatly in the United States. However, no matter how many different opinions or divergences there are, no one can deny the important fact that its long-term pursuit of hegemonism and efforts to make interference and expansion everywhere have led to a serious stagnation in the economic and social development of the Soviet Union. According to the original estimate of the United States, to pursue power politics, the Soviet Union put about 15 percent of its GNP as military expenses. The United States has now recognized that it underestimated the Soviet Union. The latest figures have reached as high as 40 percent and more. Because of this policy, this big country, which is extremely rich in natural resources, covers an area of more than 22.4 million square kilometers, and has a population of 300 million with per capita farmland of over 10 mu, cannot afford to provide its people with enough food and clothing. The Americans cannot but ponder deeply over this historical lesson. However, just like the evident divergences over the identification of "the interests of the United States" concerning its relations toward the Soviet Union to work out policies accordingly, a consensus in the United States can hardly be reached on ways to learn the lessons of the Soviet Union to work out state strategies.

On the issue of U.S. state strategies, there formerly were disputes between a "domestic faction" and an "international faction," and between "isolation" and "cosmopolitanism." Now the old disputes have new contents under the new situation. Some people deem that under the situation wherein drastic changes have taken place in the Soviet Union, the United States should "follow up the victory with hot pursuit," have the courage to "be the only superpower in the world," and shoulder the "special responsibilities" of a "world corps." They also believe that the United States should have no scruples about interfering in the internal affairs of other countries, and draw up its own policy according to "the attitude adopted by other countries toward our own people." Others hold the view that the United States should put top priority on domestic problems, devote major efforts to reactivating the economy, rejuvenate education, and solve social problems such as drug abuse and crimes, instead of excessively intervening in international affairs. Some even suggest that the United States promote itself with its door closed. Still others hold the view that because the ideal programs put forward by President Wilson after World I and President Roosevelt after World War II to lead the world have both fallen through, today's United States is unable to do so, and it is unnecessary for it to do so. The historical lessons summed up by Paul Kennedy in his book "The Rise and Decline of a Superpower," which caused a sensation several years ago, still remain fresh in the memory of many Americans, that is, an excessive involvement in international affairs which goes beyond true national strength is a common cause leading to the decline of many empires in history.

The world is developing toward a new era. In today's world, where the tendency of multipolarism is increasing evident, it has become the common aspiration of the people of all countries to carry out international contacts and cooperation, and promote world peace and development, on a basis of mutual equality and noninterference. The confrontation and acute contentions for hegemony between the two superpowers of the United States and the Soviet Union in the past more than 40 years have not only brought a lack of tranquillity to the world, but also hindered their own economic and social development, and downgraded their international status. Now that one of the two superpowers is on the decline, what will the other do? This question has a great bearing on both the future of the United States and the future development of the world situation. Of course, superpowers have their own logic, and I am afraid that they will not change to new ways until they are at the end of their rope. However, it will be too late to repent by then. Therefore, people hope that the United States can locate its real interests in this constantly advancing world. The United States can obtain this might as well an enlightenment from the drastic changes in the Soviet Union.

NATO Summit Issues Rome Declaration on Peace

OW0811221191 Beijing XINHUA in English
1956 GMT 8 Nov 91

[Text] Rome, November 8 (XINHUA)—NATO summit issued here Friday afternoon at the end of a two-day meeting a political declaration calling for "new relations" with the Soviet Union and central and Eastern European countries.

The "Rome Declaration on Peace and Cooperation," signed by all the 16 participating states except France, said NATO will invite foreign ministers from the Soviet Union and central and eastern european countries to join its foreign ministers' council meeting in December in Brussels.

It proposes to the Soviet Union and East European countries to form with NATO council a ministerial council for annual meetings.

The United States earlier has asked NATO summit to discuss and adopt a decision on institutional relationship with the Soviet Union and the central and eastern european countries.

On NATO's future role and strategic concept, the declaration said that "we no longer face the old threat of a massive attack. However, prudence requires us to maintain an overall strategic balance and to remain ready to meet any potential risks to our security."

It stressed that military dimension of NATO remains an essential factor but it will serve a broad concept of security.

NATO military forces will adjust to their new tasks, becoming smaller and more flexible, it continued.

NATO conventional forces will be significantly cut, mobility will be strengthened and multinational formation will be organized for flexible build-up, when necessary, for crisis management, it added.

According to the declaration, NATO heads all agreed at Rome summit that an European security identity and defense role must strengthen the European pillar within NATO.

"We are agreed, in parallel with the emergency and development of an European security identity and defense role, to enhance the essential transatlantic link..." it said.

It underlined that the alliance is "the essential forum" for consultation among its members in security policy making while saying that NATO welcomes the tendency to develop the role of the Western European Union (WEU).

NATO hoped to speed up the process of the Conference on Security and Cooperation in Europe (CSCE), and "to enhance its capacity as the organ for consultation and cooperation among all participating states..." the declaration said.

Issues Statement on Soviet Union

OW0911110291 Beijing XINHUA in English
0131 GMT 9 Nov 91

[Text] Rome, November 8 (XINHUA)—NATO leaders on Friday approved a statement on the Soviet Union, urging the Soviet and the republic governments to keep their nuclear weapons under a single authoritative control.

The statement, published at a two-day NATO summit in Rome which ended today, said "We (NATO) call upon all authorities to refrain from any steps that could lead to proliferation of nuclear weapons or other means of mass destruction."

"We therefore welcome the intention of the Soviet leadership to ensure the safe, responsible and reliable control of these weapons under a single authority," it noted.

France, the only country among the sixteen NATO members which did not sign the statement, said that NATO should not claim the right to "regulate the internal affairs" of other countries.

According to French President Francois Mitterand, the document "came out of the blue a bit" and had a "breach" side which France did not share.

"It's not a question of multiplying council," he pointed out. "We can't be schoolteachers for countries outside the alliance, we're not missionaries," the French president said.

'Roundup' on Strategic Adjustments

OW1011020091 Beijing XINHUA Domestic Service
in Chinese 1153 GMT 9 Nov 91

[XINHUA "Roundup" by reporters Huang Sixian (7806 1835 6343) and Li Hubing (2621 5170 0365)]

[Text] Rome, 9 Nov (XINHUA)—NATO's 13th summit closed in Rome on 8 November after a one-and-a-half day session. According to the changed situation in Europe, the meeting made major adjustments to the organization's strategy and expanded its political role, enabling it to both militarily and politically continue to maintain its leading position in Europe's defense.

Attended by the heads of government of the 16 members of the organization, the meeting adopted "NATO's New Strategic Thinking," the "Rome Declaration on Peace and Cooperation," the "Statement on the Soviet Union," and other documents. The meeting stressed that, under the circumstances in which the Warsaw Pact has disintegrated and the threat of a large-scale sudden attack has diminished, NATO will continue to play a key role in Europe's defense and that Europe's own defense establishments will be a complement to NATO.

The meeting defined the organization's new strategic thinking. It maintained that, although the danger of a large-scale sudden attack has diminished, Europe currently still faces unpredictable risks and challenges from various sides; therefore, the organization's new security thinking should be broadened: It should cover not only defense, but also political, economic, social, and environmental issues. For this reason, "cooperation" was added as part of the organization's goals for the first time.

According to the new military strategic principle adopted at the meeting, NATO will focus its efforts on enhancing its ability to deal with crises; the size of its troops will be further reduced; at the same time, it will enhance its troops' rapid reaction ability and ability to provide large-scale reinforcements should the circumstances arise; and it will maintain an adequate nuclear deterrence at a low level.

Strengthening "cooperation" with the Soviet Union and East European countries was one of the important topics of the meeting. The "Rome Declaration on Peace and Cooperation" says NATO will expand, strengthen, and raise its relations with the Soviet Union and East European countries to a "quite new level" and establish a system to promote those relations.

The "declaration" points out that "consultations and cooperation" with the Soviet Union and East European countries will mainly focus on security and security-related issues.

The summit marked another important NATO meeting since the organization held a summit in London in July 1990. During the Rome meeting, the heads of government of the organization's member-countries basically

reached agreement on the organization's position and role in Europe's security and defense. However, the meeting also exposed differences and contradictions among the organization's member-countries on some issues concerning the new situation. In his speech at the meeting, U.S. President Bush said the United States hopes NATO's role and position will not be weakened and affected. He said: "The United States will not and cannot give up its responsibility, interests, and position in Europe." At the same time, French President Mitterrand held that NATO is not a "sacred alliance." He urged NATO to clearly define its new political responsibility, and he stressed that the organization's functions and role should be kept within the bounds set by the organization's treaties.

The meeting also adopted a statement on the situation in the Soviet Union. The statement involves the Soviet Union's current political and economic situation and the control of its nuclear weapons. France refused to sign the statement.

Further Comments on Readjustment

HK191111891 Beijing RENMIN RIBAO in Chinese
15 Nov 91 p 6

["Commentary" by Wei Wei (7614 8343): "NATO's Major Strategic Adjustment"]

[Text] The NATO summit meeting held in Rome 7-8 November indicates that after a long period of consideration and preparation, NATO has finally entered a phase of major strategic readjustment.

Such major readjustment is first reflected in the political field. Over the past 42 years, NATO has regarded the member states of the Warsaw Treaty Organization headed by the Soviet Union as its opponents. However, the "Rome Declaration on Peace and Cooperation" adopted at this summit states that the Soviet Union and other East European countries have become "dialogists" and "cooperators." The meeting has also decided to set up a North Atlantic Cooperation Committee, of which the member states will include 16 NATO members, the Soviet Union, five East European countries, and three Baltic republics which have just won independence. The 25 member states will hold a ministerial meeting once a year to discuss matters concerning cooperation. They will also hold ambassadorial and expert meetings on strengthening cooperation in the fields of politics, economy, security, science and technology, environmental protection, and transfer of military industrial production into production of civil-use goods. The declaration also claims to "enhance to a considerable new level" the cooperative relations between NATO and the Soviet Union and East European countries.

This major readjustment is also reflected in military strategies and defense structure. NATO has always asserted that it exists for the purpose of resisting the military threat from the East. However, the "New Strategic Concepts of NATO" adopted at this Rome meeting

holds the view that dangers may come from many sides; and that the contingencies in the Middle East and the Mediterranean region, the ethnic and territorial disputes in central and Eastern Europe, and even the instable internal situation of the Soviet Union may all constitute a threat to the security of NATO.

The military strategies of NATO have undergone twice readjustments. In the mid 1950's, NATO adjusted its "strategy of large-scale ground operation," which was adopted when it was first founded, to the "strategy of large-scale retaliation." In the late 1960's, NATO began to carry out the "strategy of flexible response." Both readjustments were based on nuclear deterrent. This Rome meeting approved an all-position "emergency strategy," which was worked out at a NATO meeting for defense ministers held at the beginning of this year. The new strategy is noted for the following three features: 1) regarding nuclear strength as the "last means," NATO will reduce 80 percent of its nuclear weapons deployed in Europe; 2) 50 percent of NATO's 1.5 million troops stationed Europe will be cut, among which the American troops will be reduced beginning in 1994 from nearly 300,000 to 150,000; and 3) the military strength of NATO will be composed of defending troops, rapid reaction forces, and reinforcement units, with the second as its core. The rapid reaction forces will be made up mainly by troops of European allies under the command of Britain.

NATO's major strategic readjustment is the product of the present situation. It is shown by the documents of the meeting that alongside the drastic changes in the Soviet Union and East Europe, a fundamental change has taken place in the security situation of Europe. To maintain its existence, NATO has to make a major readjustment on its strategies.

However, in carrying out this major readjustment, NATO has encountered many difficulties. The first one is how to appropriately handle the relations between NATO and Europe concerning defense affairs. Under the new situation, West Europe hopes to set up an independent security and defense system. In the middle of October, French President Francois Mitterrand and German Chancellor Helmut Kohl made a joint suggestion that an European army group, which is actually composed of German and French troops, be established within the framework of Western alliance, and be further brought into the structure of the political coalition of the European Community. This is something which NATO, especially the United States, does not wish to see. The United States has made a warning that it is very dangerous if the European defense system comes into competition with, or even attempts to replace, NATO. At this Rome meeting, U.S. President George Bush pointed out to his European partners in a straightforward way: "Please state it clearly right now if your final goal is to establish Europe's own independent defense system!" Because of pressure from their chief, European allies reaffirmed the leading role of NATO in the defense affairs of Europe. However, with the implementation of

NATO's new strategies, the voice calling for the establishment of Europe's own independent defense system will surely become higher and higher, and the contradictions between the United States and Europe over this issue are expected to intensify.

Second, NATO has to deal with in the future uncertain "risks and challenges;" yet it is hardly predictable where such risks and challenges will come from and in which fields they will make their appearance. Therefore, it is very hard to make "rapid reactions."

Also related to the aforementioned two points are the more severe challenges the United States will meet in maintaining its position as the chief of European allies. NATO's new strategies mainly rely on conventional strength and European countries, and the United States is going to reduce its military presence in Europe. Therefore, although the United States emphasized at the Rome summit that it "will not give up the responsibilities, interests, and spheres of influence in Europe," with the development of the situation, more and more European countries will make claims to their chief for equal positions and more say in NATO's new strategies. Under such circumstances, the United States' ability to influence the European affairs may continue to be weakened.

Article on Members' 'Contradictions'

HK0911080491 Hong Kong TA KUNG PAO
in Chinese 9 Nov 91 p 2

["Political Talk" column by Shi Chun-yu: "NATO's New Strategy, U.S.-European Contradictions"]

[Text] The two-day, 16-nation, NATO summit, which formulated a new strategy for the organization that is seeking a new status, has just concluded. Will NATO be revitalized on the strength of the new strategy and play an important role in Europe and an even wider scope because the European political and military patterns have undergone tremendous changes?

NATO Seeks Grounds for Its Existence

NATO was a military organization founded in 1949 aimed at the USSR and its allies. Having gone through tremendous changes over the past two years, during which the East European bloc disintegrated along with the separation in the USSR, the opposition that once was the reason for NATO's existence has been effaced, while NATO itself is facing an unprecedented crisis: On what grounds will it continue to exist?

NATO had always stressed the great military threat of the USSR and East Europe, and described its opponent as the enemy of Europe and world peace, with all its deployment aimed the USSR and East Europe. However, NATO's strategy had never been made public in a written form. The last NATO strategy was adopted in 1976, but has been kept secret as of today. It was the first time in history that the recent NATO summit has made public relevant documents. That is the result of the

"post-cold war" atmosphere of peace as well as an expression of NATO converting from a military organization to augmenting its political function in an attempt to increase visibility to win the understanding and support of the European public.

In augmenting its political function, NATO set forth the founding of a North Atlantic Cooperative Committee, while inviting the participation of the three Baltic states and inviting the foreign ministers of East European countries to attend a conference to be held in Brussels next month so that NATO's political influence may extended to the entire Europe with emphasis on political cooperation, and equal importance to talks and security.

Where Lies the Threat?

Militarily, NATO will establish a multinational quick-response army of a smaller scope, while giving up the past strategy of frontal defense and flexible response, cutting back its nuclear weapon reserve in Europe by 80 percent. However, NATO's realm of activities will continue to be confined to its members' territories.

The 16-page document has failed to clarify a basic point: As an organization continuing to stress military affairs, who will be its supposed enemy, and where does the military threat come from? The document says with ambiguity: "The risks the allies continue to face are multiple and multidirectional, which are hard to foretell and estimate."

Vague as it is, that statement is actually a true picture of the present conditions in Europe. How the Soviet situation will evolve remains a big question, whereas the prospects of various East European countries are not so bright. The rise of nationalism embodied in the Yugoslav civil war and the surfacing of the ideological trends of Europeanism in various forms with the EC advancing toward unification have resulted in ever more acute political, military, and economic contradictions between Europe and the United States. The threats from the USSR have greatly reduced but those from other aspects have greatly increased. From the angle of the United States, the threats are keenly felt. While observing the recent summit, U.S. media had the following question in mind: Is Europe ready to say goodbye to the United States, "when the presence of a protector is superfluous?"

Conflict Behind the Door

The summit was held behind closed doors, and the speeches of various heads of state were not officially published. According to nonofficial reports, Bush, who did his utmost to safeguard U.S. domination over Europe had a fierce conflict with Mitterand, who followed in De Gaulle's footsteps in building an independent Europe. Bush put it bluntly: "If your aim is to pursue defense on your own, just put it clearly to us today." "Put all your cards on the table." That was aimed at France and Germany, who proposed last month to set up an European army based on the two countries' joint forces independent of NATO.

With EC unification and augmented strength, and people in the United States paying greater attention to its home affairs, the European-U.S. contradictions will continue to intensify. Although NATO has formulated a new strategy, the prospects remain dim.

World Bank Supports Beijing Environment Project

OW2011084491 Beijing XINHUA in English
0723 GMT 20 Nov 91

[Text] Washington, November 19 (XINHUA)—The World Bank has approved a financing of 125 million U.S. dollars to support a multipurpose environment project that addresses water, air and solid waste pollution in Beijing Municipality, capital of China, it was announced today.

The lending consists of a loan of 45 million dollars from the World Bank, and a credit of 80 million dollars from the International Development Association (IDA), the bank's affiliate for concessionary lending.

County department director of the Bank S.J. Burki described the project as "an effort to address immediate environmental needs of Beijing Municipality while simultaneously developing an integrated plan to best meet future environmental challenges."

Burki added that the project "will make Beijing an important learning ground for other cities encountering similar environmental problems."

Soviet Union

Gorbachev Urges Efforts To Halt 'Deterioration'

OW2011045291 Beijing XINHUA in English
0152 GMT 20 Nov 91

[Text] Moscow, November 19 (XINHUA)—Soviet President Mikhail Gorbachev today urged effort to bring under control the Soviet social and economic situations to avoid further deterioration in food supplies.

The Soviet newspaper "NEZAVISIMAYA GAZETA" reported today that Gorbachev made the call during his meeting with Schmidt Holits, editor in chief of the German magazine "STERN".

He warned that if the production continues to decline, it will give rise to the discontent among the people and may lead to vehement popular protest. "This will be the most dangerous situation," he added.

On the formation of a new union, Gorbachev said the union should be one composed of sovereign states and founded on a federal and democratic system.

The president said the union should have unified armed forces, integrated territory and its citizens should have the same nationality. It should also have a coordinated foreign policy and a unified market functioning under the principle of consultation.

The union should have a president as the head of the state elected by the citizens, Gorbachev said, adding that it should also have a government.

Gorbachev Reappoints Shevardnadze Foreign Minister

OW2011001891 Beijing XINHUA in English
2244 GMT 19 Nov 91

[Text] Moscow, November 19 (XINHUA)—Eduard Shevardnadze has been reappointed as minister of foreign relations by Soviet President Mikhail Gorbachev Tuesday.

The appointment was made in a decree issued by President Gorbachev, according to a terse report carried by the Soviet state news agency TASS.

"Eduard Shevardnadze was named minister of foreign relations today by decree of the president of the USSR," TASS said.

Born in Mamati, Georgia, Shevardnadze joined the Soviet Communist Party in 1948 when he was 20. In 1937, he was head of Georgian Communist Youth League. From 1968 to 1972, he took the post of Georgian interior minister. He earned a reputation for his courage by his struggle against corruption in the Georgia and against organized crime. In 1972, he became the first party secretary of Georgian Republic. In 1978, he became a member of the Politburo of the Soviet Communist Party and rose to full membership in 1985. He was appointed as foreign minister after Gorbachev became the general secretary of the Soviet Communist Party.

The white-haired man quit as foreign minister last December 20 during a meeting of the Congress of Soviet People's Deputies and then joined in founding a new democratic reform movement.

Shevardnadze has two children, his daughter is a TV editor and his son a scientist.

Government Sets Up Strategic Containment Troops

OW2011044191 Beijing XINHUA in English
0234 GMT 20 Nov 91

[Text] Moscow, November 19 (XINHUA)—The Soviet Union has established strategic containment troops, a new military service, "IZVESTIYA" reported today.

The report said Yuriy Pavlovich Maksimov, the former commander of the strategic rocket force, was appointed commander-in-chief of the new troops.

According to the report, the establishment of the new troops was ordered by Soviet President Mikhail Gorbachev.

The "strategic containment troops" were formed from the strategic rocket force, the missile offensive alarm

system, space surveillance system, anti-ballistic missile defense system and space troops of the Ministry of Defense, the report said.

The strategic nuclear force of the navy and air force will be "flexibly" commanded by the commander-in-chief of the "strategic containment troops", according to the report.

Ministries Condemn Attempts To Break Up Defense

*OW2011044691 Beijing XINHUA in English
0204 GMT 20 Nov 91*

[Text] Moscow, November 19 (XINHUA)—The Soviet Defense Ministry and Interior Ministry today issued a statement condemning actions designed to destroy the country's national defense system and the unity of Soviet armed forces as "unconstitutional and illegal," Soviet Central Television reported this evening.

Some republics have repeatedly attempted to keep weapons storehouses, military equipment and property under their own control and have even attacked armed forces to grab weapons, armored personnel carriers, ammunition and military assets, the statement said.

The Soviet Army "has the complete right to defend themselves or even resort to the use of weapons" in these instances, it stressed.

Georgia and Azerbaijan reported that they had confiscated property of the Soviet armed forces stationed within their territories.

The State Council of the Soviet Union, however, has decided that the armed forces stationed in each sovereign republic still belong to the union.

The council agreed to set up a committee of defense ministers of sovereign republics as a consultancy agency for the Soviet Defense Ministry.

Soviet Republics To Initial New Union Treaty

*OW1911225891 Beijing XINHUA in English
1642 GMT 19 Nov 91*

[Text] Moscow, November 19 (XINHUA)—The Soviet republics will initial a new Union Treaty on November 25, Konstantin Lubenchenko, chairman of the Soviet Parliamentary Council of the Union, said today.

The new Union Treaty, already approved by leaders of seven Soviet republics, stipulates that the union will be composed of sovereign states as a confederation instead of a federation.

The seven republics are the Russian Federation, Kazakhstan, Byelorussia, Azerbaijan, Kirghizia, Tajikistan and Turkmenistan.

The parliament in Uzbekistan also agreed to sign the treaty while leaders of Ukraine said they would not

consider the issue before the referendum on independence to be held on December 1.

Lubenchenko said federal structures will be represented by Gorbachev, Soviet Prime Minister Ivan Silayev and heads of the Soviet Parliamentary Councils.

The sovereign republics have the exclusive right to ratify the treaty, he said.

Union of Communists Hold Two-Day Congress

*OW1811115791 Beijing XINHUA Domestic Service
in Chinese 0735 GMT 18 Nov 91*

[Beijing XINHUA Domestic Service in Chinese at 0918 GMT on 18 November transmits a service message canceling the following item and requesting that it be replaced with another item transmitted at 0918 GMT on 18 November, identical except for the deletion of two place names cited in editorial notation below]

[Text] Moscow, 17 Nov (XINHUA)—According to TASS, the USSR Union of Communists held a congress in Moscow from 16 to 17 November.

Deputies from the Russian Federation, the Ukraine, Kazakhstan, Moldova, Udmurtia, Yakutia [0918 GMT version deletes preceding two place names], and Tajikistan attended the congress. In their speeches, the deputies said: "The ban on the Communist Party's activities is an example of the flagrant violation of the nation's law and constitution." The deputies advocated that "Communists should take united actions in the struggle against infringements on the working people's vital interests and human rights violations."

Deputies from Latvia and Lithuania also attended the congress.

The congress adopted an appeal to form a broad-based movement of socialist forces and anti-Fascist front. It also decided to send a plenipotentiary delegation to a Communists' congress, due to be held in Yekaterinburg (formerly Sverdlovsk) on 23 November.

Conflict Resumes in South, North Ossetia

*OW1711074691 Beijing XINHUA in English
0736 GMT 17 Nov 91*

[Text] Moscow, November 16 (XINHUA)—Fightings have resumed in the South Ossetia Autonomous Region and North Ossetia Autonomous Republic involving the use of rockets and cannons, TASS news agency reported.

Gunfire volleyed at residential areas in Tskhinvali and Znauri of the South Ossetia, the report said. Meanwhile, the check points of the Soviet interior forces and barracks of helicopter regiment stationed in a suburbs of Tskhinvali were also fired at from Nikoza, a nearby Georgian village, it added.

Georgian militants seized 18 Ossetians Friday night from the regions mentioned above and burnt down 25

houses after looting, while the Ossetian side also detained 20 Georgians, TASS said.

Citizens in the South Ossetia and refugees who fled other regions of Georgia gathered in Tskhinvali, demanding the integration of South Ossetia into the Russian Federation.

Besides, situation became "extremely tense" in Vladicaucasus, capital of the North Ossetia, after citizens in Nazran city of the Chechen-Ingush Autonomous Republic attempted to grab by force some suburban areas of Vladicaucasus.

The Supreme Soviet of the North Ossetia had decided to set up its own armed forces after learning that the neighboring Chechen-Ingush Republic was well equipped with large quantities of modern weapons, according to TASS.

But leaders of both republics had said they would try their best to avoid military conflicts in the region and to settle their disputes through a peaceful way.

Yeltsin Signs Decree on Conducting Foreign Trade

OW1711171591 Beijing XINHUA in English
1637 GMT 17 Nov 91

[Text] Moscow, November 17 (XINHUA)—Russian President Boris Yeltsin has signed a decree allowing the Russian enterprises to conduct foreign trade, TASS reported today.

The decree "On the Liberalization of Foreign Economic Activities on the Territory of the Russian Federation" is aimed at stimulating foreign trade, establishing the domestic market and attracting investments from abroad.

The document also permits banks, which are authorized to carry out currency operation in Russia, to open currency accounts for all enterprises and citizens.

The decree lifts restrictions on the participation of Russian citizens and legal entities in currency operations.

The decree also freed the rate of the ruble against foreign currencies.

All types of compulsory currency allocations, as well as taxes on the export and import established by the president of the USSR and central agencies, will be cancelled on the territory of the Russian federation.

Russian Government To Regulate Exports of Oil

OW1711142691 Beijing XINHUA in English
1417 GMT 17 Nov 91

[Text] Moscow, November 17 (XINHUA)—The Russian government has decided to regulate the federation's supply of oil and oil products to outside areas, the TASS news agency reported today.

TASS said the decision was made to stabilize the economy of the Russian Federation and protect the domestic market of the republic during the autumn-winter period.

Under the decision, the fixing and distribution of general quotas for the export of oil and oil products is entrusted to the republic's Ministry of Economics and Finance and the Ministry of Fuel and Energy.

New licences for oil and oil products have been terminated until January 1, 1992, and earlier issued licences for these products are to be reconsidered within 10 days.

Under the decision, the limitations are to be introduced from December 1.

Breaches of the export procedure would be penalized by a fine that would be 10 times as large as the cost of the delivered goods.

Russia Issues Decree on Precious Metals, Stones

OW1711133891 Beijing XINHUA in English
1257 GMT 17 Nov 91

[Text] Moscow, November 17 (XINHUA)—Russian President Boris Yeltsin has issued a decree setting conditions for the use and payment for precious metals and diamonds mined in Russian Federation territory.

TASS said the decree pointed out that the Russian government had now given a number of rights to the councils of ministers of republics within the Russian Federation and executive power bodies of territories, regions and autonomous entities.

In particular, they might use up to 1.5 per cent of the amount of precious metals, produced according to established quotas, for the production of jewellery and other consumer goods.

From now on enterprises producing precious metals and diamonds would be paid in freely convertible currency for 25 percent of gold produced and 25 percent of diamonds and metals of the platinum group sold on the external market.

TASS said the production of gold, silver and other precious metals in the Russian Republic was not on the decline, but gold output was still secret.

Northeast Asia

Daily Cites Kim Il-song on Nuclear Issue

HK2011110891 Beijing RENMIN RIBAO in Chinese
12 Nov 91 p 6

[By Zhou Bizhong (0719 1801 0022): "Kim Il-song, Interviewed by Japanese Guest, Says Korea Continues To Strive for Reunification of Fatherland"]

[Text] Pyongyang, 11 Nov (RENMIN RIBAO)—Korean President Kim Il-song said: The issue of Korean reunification is not a matter of one side eating up the other, but a matter of reconnecting the national blood tie which was disconnected by external forces and establishing national sovereignty on a nationwide scale.

According to a NODONG SINMUN report today, Kim Il-song made the above remark when answering questions raised by the director of Japan's Iwanami Bookshop on 26 September.

Kim Il-song said: Maintaining initiative, reunifying the country peacefully, and achieving national unity are the three fundamental principles that Korea has been following in the course of the struggle for fatherland reunification.

He continued: The north and south of Korea joined the United Nations separately, instead of sharing a seat. However, not even the slightest change has been made in our position, that is, there is only one Korea and Korea must be reunified.

He added: Korea will continue to adhere to its posture on national initiative and the principle of national unity, and will continue to make patient efforts for the reunification of the fatherland based on the federal pattern of one race, one country, two systems, and two governments.

On the issue of nuclear investigation, Kim Il-song said: The north side of Korea does not want to, and is unable to, develop nuclear weapons and therefore does not object to nuclear investigation. It is unfair that some people try to impose on us the nuclear investigation that is directed only to the north. To conduct a fair nuclear investigation, it is necessary to probe both the north side of Korea and the nuclear bases in South Korea.

He said: If the inappropriate pressure is removed to guarantee impartiality, the issue of nuclear investigation can be readily solved.

Kim Il-song said: It is good that Korean and U.S. diplomats have started contacting each other lately. He expressed his hope that such contacts will develop into a dialogue for settling the fundamental problems between Korea and the United States, including the conclusion of a peace agreement.

Finally, President Kim Il-song also mentioned Korean-Japanese relations. He expressed the belief that Japan will make active efforts toward the smooth normalization of the Korean-Japanese diplomatic relations.

South Korea Hopes To Become Creditor in 1995

OW1811082491 Beijing XINHUA in English
0806 GMT 18 Nov 91

[Text] Beijing, November 18 (XINHUA)—After two decades of incurring heavy foreign debts to finance its ambitious industrial development programs, South Korea is moving from a borrower to a lender.

By 1993, it expects to achieve a balance between debts and loans. By 1995, it should become a creditor nation for the first time.

These are among the key predications of the Economic Planning Board (EPB) in a report on the country's Seventh Five-Year (1992-96) Economic Plan.

South Korea borrowed heavily in the 1970s and early 1980s to promote rapid industrial development in key sectors such as steel, shipbuilding, automobiles and electronics.

At one time, the foreign debt was over 30 billion U.S. dollars, but a strong export performance has enabled the country to whittle the amount down significantly over the past few years.

At one stage, the government expected to see creditor nation status achieved at the end of the Sixth Five-Year Plan this year.

But the target has to be set back when the foreign debt began rising again last year. It currently stands at over 10 billion U.S. dollars.

In 1995, when South Korea will have become a creditor country, there should be loans outstanding of about 10 billion U.S. dollars, the EPB predicts.

By the end of the seventh five-year plan, it is predicted GNP will have almost doubled from the present level of 272 billion dollars to 493 billion U.S. dollars. Per capita GNP is expected rise from 6,316 dollars this year to almost 11,000 dollars.

South Korean Firm Holds Beijing Exhibition

HK1811010591 Beijing CHINA DAILY (BUSINESS WEEKLY SUPPLEMENT) in English 17 Nov 91 p 3

[By staff reporter Lao Yuan: "South Korean Industry Deals in China"]

[Text] The South Korean industrial giant Samsung Co, Ltd moved ahead on its venture in China by holding what it called a "first private South Korean business exhibition" last week in Beijing.

The two-day show at the China World Hotel, with a floor space of 3,000 square metres and seven booths, featured electronics, machinery, steel, natural resources, textiles, foodstuffs, pharmaceuticals and other products.

After two days of talks, Samsung's sales people and their Chinese business partners completed transactions worth \$2 million. B.H. Kim, general manager of Samsung's Beijing office, said.

Kim said the exhibition, which ended on Wednesday [13 November], was important because it was the first private exhibition by a South Korean firm in Beijing.

"Before this, we could only join international fairs," he said, adding that the exhibition was set up to help

Chinese business people know more about his company and enhance the business ties between Samsung and Chinese customers.

Kim said five executives from Seoul and six from his Beijing office worked on the show.

Samsung started trade with China in 1979 by importing Chinese coal.

According to Samsung statistics, last year it exported to China \$257.7 million in steel, machinery, chemical fertilizers, paper, textiles, household electrical appliances and other products.

The South Korean firm also imported from China \$148 million in products such as coal, grains, textiles and chemicals.

In addition to general trade, the company has expanded its business scope in China to include compensation trade, processing, technical guidance and investment, Samsung officials said.

Among the Samsung-China co-operation projects are a television factory in Shenzhen with \$1.15 million investment from the company, a film projector production line in Tianjin, and two fax machine projects in Shunde in Guangdong and Ningbo in Zhejiang.

Kim said after opening offices in Beijing, Dalian and Shanghai, Samsung plans to open more in other Chinese cities.

Miyazawa Cautious Over Japan's Role in Cambodia

OW1811133391 Beijing XINHUA in English
1321 GMT 18 Nov 91

[Text] Tokyo, November 18 (XINHUA)—Japanese Prime Minister Kiichi Miyazawa said today that uncertain prospects of a truce in Cambodia and insufficient training of Japanese servicemen would make it hard for Japan to join United Nations' peacekeeping forces there.

Miyazawa made the statement in the House of Representatives special committee debating a bill that would enable Japanese military personnel to take part in U.N. peacekeeping operations.

He said, "whether Japan can send its forces to join the U.N. peacekeeping forces in Cambodia depends on whether the four Cambodian rival factions will abide by the truce accord."

He urged some opposition parties to support the bill in order to proclaim Japan's willingness to contribute to the world community as quickly as possible.

Miyazawa also renewed his promises to provide financial resources to support the peace-building process in Cambodia.

He rejected a demand from opposition parties to incorporate a provision in the bill that would subject overseas dispatch of the Self-Defence Forces to parliamentary approval.

Southeast Asia & Pacific

Hu Ping, Thai Commerce Minister Discuss Trade

OW1911074791 Beijing XINHUA in English
0402 GMT 19 Nov 91

[Text] Bangkok, November 19 (XINHUA)—Thailand and China plan to increase bilateral trade relations by doubling their present trade value.

Thai Commerce Minister Amaret Sila-on told local press reporters after a meeting with his Chinese counterpart Hu Ping Sunday that the Sino-Thai trade value will be raised to 10 percent of Thailand's total export value in the years to come.

But the Thai minister did not specify when the trade value will be doubled.

Chinese Commerce Minister Hu Ping arrived here last Thursday for a 10-day visit to Thailand.

The trade value between Thailand and China in 1990 totaled 35,058 million baht (1,402 million U.S. dollars), which Amaret described as too small.

The minister said China is an interesting market to which Thailand should pay more attention because of its high purchasing power, and China has good potential to expand in terms of trade and economy.

The two ministers agreed to let their senior officials work out plans to expand bilateral trade.

Major items which Thailand exports to China include consumer goods and industrial products, while imports from China include oil and steel.

Thai Foreign Minister Leaves for Phnom Penh

OW2011093391 Beijing XINHUA in English
0347 GMT 20 Nov 91

[Text] Bangkok, November 20 (XINHUA)—Thai Foreign Minister Asa Sarasin left here today on a three-day visit to Phnom Penh with an aid package including a 2.8-million-U.S.-dollar fund to improve Cambodia's infrastructure as part of Thailand's effort to help rehabilitate that country.

Asa will make the offer later today when he meets Samdech Norodom Sihanouk, chairman of the Supreme National Council (SNC) of Cambodia, the Thai Foreign Ministry said.

The 2.8-million-U.S.-dollar fund was agreed upon during last week's consultation among inter-government

agencies at the Foreign Ministry as part of the government's package of urgent assistance to the SNC during Asa's visit to Cambodia.

Apart from this fund, Asa will also extend a package of medical and food supplies comprising medicine, mosquito nets and canned food.

The third offer will be technical assistance worth 0.8 million U.S. dollars comprising training programs which cover agriculture, education, transportation, telecommunications, project management, tourism and so on.

This budget is part of the government's 8-million-U.S.-dollar overseas assistance programs for fiscal year 1991-1992 earmarked for less fortunate countries which include Laos, Cambodia, Vietnam and Myanmar [Burma].

Asa, who heads a 42-member delegation for the visit, is the first senior-most Thai official to visit Phnom Penh since 1975. Asa's trip is aimed at supporting the SNC as the legitimate body representing Cambodia at the interim period and Sihanouk's mediating role in the SNC and at laying the foundation for Thailand's future course of relations with Cambodia under an elected government.

During the visit, Asa will sign an agreement on the eventual repatriation of some 350,000 Cambodian refugees after having resolved key points with the United Nations High Commissioner for Refugees (UNHCR) and the SNC.

The three would-be signatories have basically agreed to the draft memorandum of understanding after the SNC approved in principle the outcome of the latest round of talks between Bangkok and the UNHCR a few days ago.

The agreement outlines the ways in which the Thai Government, the UNHCR and the SNC cooperate in sending back the Cambodians now living in the refugee camps along the Thai-Cambodian border.

Further on SLORC Head-Aerospace Group Meeting

*OW1811121091 Beijing XINHUA in English
1150 GMT 18 Nov 91*

[Text] Yangon [Rangoon], November 18 (XINHUA)—Senior General Saw Maung, chairman of the State Law and Order Restoration Council (SLORC), Myanmar's [Burma] military government, received the visiting Chinese delegation of the Ministry of Aerospace industry here today.

In an atmosphere of warmth and friendship, the SLORC chairman said that "Myanmar and China are good near neighbors. China's friendly policy with Myanmar has embodied the 'paukphaw' friendship between the Myanmar and Chinese peoples."

He said that "Myanmar's economic co-operation with foreign countries will be proceeded with near neighbors such as China."

The head of the Chinese delegation and the Minister for Aerospace industry, Lin Zongtang, conveyed to Chairman Saw Maung the regards from Chinese President Yang Shangkun and Premier Li Peng.

The minister said that China would strengthen the co-operation with Myanmar in the aerospace spheres.

The MRC [expansion unknown] chairman also requested Minister Lin Zongtang to convey his regards to President Yang Shangkun, Premier Li Peng and other Chinese leaders.

Present on the occasion were Lt-Gen Tin Tun, minister for transport and communications and for social welfare and labor, Maj-Gen Khin Nyunt, the SLORC first secretary, and Foreign Minister Ohn Gyaw.

Chinese Ambassador to Myanmar Liang Feng was also present.

Party Leader Meets Vietnamese Women's Delegation

*OW1811112991 Beijing XINHUA in English
1047 GMT 18 Nov 91*

[Text] Beijing, November 18 (XINHUA)—Ding Guangen, alternate member of the Political Bureau and Member of the Secretariat of the Chinese Communist Party (CPC) Central Committee, met with a women's delegation from Vietnam here this afternoon.

The delegation is led by Truong My Hoa, secretary of the Secretariat of the Central Committee of the Communist Party of Vietnam and vice-president of the Women's Federation of Vietnam.

Vietnam Passes Law on Export Processing Zones

*OW2011112991 Beijing XINHUA in English
1051 GMT 20 Nov 91*

[Text] Beijing, November 20 (XINHUA)—Vietnam's Government has endorsed a law allowing the opening of "export processing zones" in a bid to attract foreign investment and technology, press reports reaching here from Hanoi said.

These special economic zones will be devoted to manufacture of export products as well as to services involved in these activities, according to the statute.

All foreign and local establishments, individual foreign investors well as overseas Vietnamese, would have access to these zones, a Vietnamese News Agency (VNA) report monitored here today said.

Investment in these zones could be in 100 percent foreign-owned establishments or as joint ventures, the agency said.

Enterprises in these zones would be exempted from paying income tax for four years if in manufacturing sector, two years in service sector, counting from the date of first recorded profits.

Investors can also keep away from paying tax by reinvesting their profits in Vietnam, it added.

Enterprises will also not pay import duties on material and equipment imported, as well as on export duties on products and merchandise.

The law said furthermore that investors in the economic zones would be allowed to buy shops or rent land to construct them and they will be allowed to stay in the zones for a renewable period of 50 years, said VNA.

Foreign companies can recruit their work force by themselves, as long as they put the priority on Vietnamese workers, the agency quoted the law as saying.

A managerial board led by the State Committee for Foreign and Investment Cooperation would be in charge of nodding investment projects in export zones.

The first special economic zone in Vietnam should be opened soon near Ho Chi Minh City, formerly Saigon, which has attracted 75 percent of the 2.4 billion dollars in foreign investment in Vietnam.

XINHUA Notes Sihanouk on Plans for Cambodian Economy
OW1911104591 Beijing XINHUA in English
0937 GMT 19 Nov 91

[Text] Phnom Penh, November 19 (XINHUA)—Cambodians will unite and concentrate their efforts on the economic construction in their country, Samdech Norodom Sihanouk, chairman of the Supreme National Council (SNC) of Cambodia, said today.

Visiting an exhibition here today, Sihanouk said that he would live with his people forever and serve them. Cambodians should unite to develop economy in the country so as to catch up with other countries.

"We have wasted a lot of time, we will concentrate our strength on rebuilding the country from now on," Sihanouk said.

Cambodia, he said, will develop its relations with all friendly countries to build the country.

The chairman also visited an orphan asylum and a hospital in Phnom Penh yesterday. He said his country faced many difficulties and lacked material conditions needed to rebuild the country. But he said he believed Cambodia had the ability to overcome the difficulties.

Meanwhile, he appealed to the international community to provide assistance for the rehabilitation of his country.

Son Sen Vows Cooperation With UNHCR

BK1911133291 Beijing Radio Beijing in Cambodian
1030 GMT 19 Nov 91

[Text] According to our special correspondent, Son Sen, member of the Party of Democratic Kampuchea [PDK] and member of the Cambodian Supreme National Council, said in Phnom Penh on 19 November that the PDK will do all it can to cooperate with the UNHCR [UN High Commissioner for Refugees] to properly implement clauses of the Paris agreement on peace in Cambodia concerning refugee repatriation to enable Cambodian refugees to quickly return to their homeland.

Son Sen said this during a meeting with Jamshid Anwar, UNHCR representative for the Asia-Pacific region. During the meeting the two sides discussed the signing of a memorandum on Cambodian refugees. This memorandum will soon be signed by the Cambodian SNC, the Thai Government, and the UNHCR.

The talks were held in a hotel in Phnom Penh where Son Sen is staying. According to estimates, there are about 300,000 Cambodian refugees living along the Thai-Cambodian border. In accordance with the Cambodian peace agreement, the UN secretary general will assist Cambodian refugees and those without shelter to return to Cambodia safely and with dignity. This is part of a comprehensive political solution to the Cambodian problem.

Near East & South Asia

Spokesman Accepts No Obstacles to Mideast Talks

OW1911133391 Beijing XINHUA in English
1315 GMT 19 Nov 91

[Text] Beijing, November 19 (XINHUA)—A Chinese Foreign Ministry spokesman said here today that no parties should put up obstacles to the negotiations in the course of the Middle East peace conference.

The spokesman made the statement when asked to comment on an Israeli parliament resolution that the Golan Heights were not for negotiations.

Li Ximing Meets Visiting Indian Delegation

OW1911112191 Beijing XINHUA in English
1100 GMT 19 Nov 91

[Text] Beijing, November 19 (XINHUA)—Li Ximing, member of the Political Bureau of the Chinese Communist Party Central Committee, met with a delegation from the Indian National Congress (Indira Gandhi) here this evening.

The delegation led by V.N. Gadgil, member of the party's working committee and former general secretary of the party, arrived here for a China visit on November 17 as the guest of the Chinese Communist Party.

The purpose of its visit is to acquaint itself with China's economic construction and progress of the open and reform policies and exchange views with Chinese leaders on some major international issues and the promotion of Sino-Indian cooperation.

Egyptian Air Defense Commander Departs For Visit

OW1811014991 Beijing XINHUA Domestic Service in Chinese 0744 GMT 16 Nov 91

[Text] Cairo, 15 Nov (XINHUA)—Muhammad Zahir 'Abd-al-Rahman, commander of the Egyptian Armed Forces' Air Defense Force, and his party, totalling seven persons, left Cairo today for a visit to China.

The commander will visit China for one week at the invitation of General Wang Hai, commander of the Air Force of the Chinese People's Liberation Army.

Zhu Yinglu, Chinese ambassador to Egypt, and Zhao Guoyao, military attache of the Chinese Embassy in Cairo, saw the commander and his party off at the airport.

Meets General Wang Hai

OW1811150891 Beijing XINHUA in English 1440 GMT 18 Nov 91

[Text] Beijing, November 18 (XINHUA)—General Wang Hai, commander of the air force of the Chinese People's Liberation Army, met with and hosted a dinner for Lieutenant General Muhammad Zahir 'Abd-al-Rahman, commander of the Egyptian Air Defence, at the Great Hall of the People here this evening.

This morning, Commander Wang presided over a ceremony to welcome Rahman, who arrived in Beijing yesterday on an eight-day official goodwill visit.

Iranian Minister Begins Talks on Mineral Ties

NC1511143391 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0430 GMT 15 Nov 91

[Text] The first round of talks between the mines and metals minister of the Islamic Republic of Iran and PRC officials was held in Beijing yesterday. In this round of talks, ways and means for bilateral cooperation in the fields of copper, zinc, manganese and gold were discussed.

During this session, Mr. Mahlujchi referred to Iran's abundant mineral resources and announced the Islamic Republic of Iran's willingness to increase cooperation with the PRC. In this round of talks the two sides also discussed setting up a small cement factory.

Visits Sites

LD1911212791 Tehran IRNA in English 1057 GMT 19 Nov 91

[Text] Beijing, Nov. 19, IRNA—Visiting Iranian Minister of Mines and Metals Mohammad Hoseyn Mahlujchi visited copper, aluminium, lead and zinc industries in Changzhou Province [as received], eastern China, on Monday.

Mahlujchi heading a high-ranking delegation arrived here on a week-long visit at the invitation of Chinese Minister of Foreign Economic Relations and Trade Li Lanqing.

Since his arrival here the Iranian minister has also visited several other industries in Hunan and Shanghai. He has also held talks with the high-ranking local authorities of Hunan on transfer of zinc production technology to Iran and making use of Chinese experiences in this respect.

Cultural Delegation Meets Sri Lankan President

OW2011045691 Beijing Central People's Radio Network in Mandarin 1700 GMT 18 Nov 91

[From the "International News and Current Events" program]

[Text] Sri Lankan Prime Minister D.B. Wijetunge met with a Chinese cultural delegation headed by Vice Minister of Culture Xu Wenbo in Colombo on 18 November.

During the meeting, both sides expressed satisfaction with the development of cultural relations between the two countries. They also expressed the hope for further strengthening of friendship and cultural exchanges between the two countries.

Following the meeting, Lokubandara, Sri Lankan minister of culture and information, held talks with the delegation on the 1992 plan for cultural exchanges between China and Sri Lanka.

Economic, Trade Commodity Fair Opens in Kuwait

OW1611221491 Beijing XINHUA in English 2150 GMT 16 Nov 91

[Text] Kuwait City, November 16 (XINHUA)—A Chinese commodity fair was inaugurated here this evening, to promote economic and trade relations between the two countries.

The Kuwaiti Minister of Health and Acting Minister of Trade and Industry, 'Abd-al-Wahab Suleiman al-Fawzan, cut the ribbon at the opening ceremony, and visited the various pavillions together with the fair manager Wang Zhukang.

The fair manager told XINHUA that 39 Chinese companies from Beijing, Tianjin, Shanghai and Guangdong Province are taking part. The fair exhibits traditional

items in demand in Kuwait such as textiles, foodstuffs, objets d'art, light industry products as well as animal, metal and iron products. The total value of the exhibits amounts to some 60 million U.S. dollars, he said.

The manager said that relations between the people of the two countries dated back to the early fifties, and have developed fast after the establishment of their diplomatic ties in 1971.

The volume of trade during the period from January to July 1990 amounted to 140 million dollars, 100 million of which were Chinese exports to Kuwait and 40 million dollars for Chinese imports from Kuwait.

Wang expressed his confidence that trade relations between the two countries will further grow in the best interest of their respective economic development.

West Europe

Qian Qichen, French Official View NPT

HK2011085991 Hong Kong AFP in English
0820 GMT 20 Nov 91

[Text] Beijing, Nov 20 (AFP)—China will discuss whether to adhere to the Nuclear Non-Proliferation Treaty (NPT) at the next full session of parliament, visiting French Secretary of State for Foreign Affairs Alain Vivien said Wednesday after meeting senior Chinese officials.

He said Chinese Foreign Minister Qian Qichen had told him the topic would be discussed at the March session of the National People's Congress.

China is the only permanent member of the United Nations Security Council that has not yet signed the treaty, which bans the sale of nuclear technology to help other countries manufacture nuclear weapons.

Chinese officials last week promised visiting U.S. Secretary of State James Baker that China would sign the treaty by year's end and comply with the treaty within three months of the signing.

China has promised to sign the treaty since summer.

In a statement, Vivien welcomed the close cooperation between France and China in drafting a settlement to the 13-year-old conflict in Cambodia.

Vivien told Qian that France hoped China's ally, North Korea, would submit its nuclear installations to the control of the International Atomic Energy Agency.

On Tuesday, Vivien met with Deputy Foreign Affairs Minister Tian Zengpei and discussed human rights.

He "disputed" the Chinese point of view that human rights "could be linked to the degree of development of each country and to national specifications," the statement said.

Vivien also outlined "insufficiencies" in Beijing's recent White Paper on human rights, a mammoth document praising the remarkable results achieved in this area since the communists came to power in 1949 and arguing that the most important human right was the right to a livelihood.

"Democracy is one of the indispensable conditions to the development of all societies," another statement quoted Vivien as saying.

He said the French Government was "disappointed" to see that a French legal mission had concluded that China gives scant respect to human rights.

Li Peng Meets Italian Trade Minister in Shanghai

OW2011030191 Beijing XINHUA in English
0242 GMT 20 Nov 91

[Text] Shanghai, November 20 (XINHUA)—Chinese Premier Li Peng met with Italian Minister of Foreign Trade Vito Lattanzio in Shanghai Tuesday.

Lattanzio has come at the head of an Italian delegation to attend the first session of the Sino-Italian economic cooperation joint committee, at the invitation of his Chinese counterpart Li Lanqing.

During yesterday's meeting, Li extended a warm welcome to Lattanzio and his party.

Li said that the successful visit of Italian Prime Minister Giulio Andreotti this year reflected the good will of the Italian people for the Chinese people.

Li said the economic relations between China and Italy are growing well and have broad prospects. Many ways could be explored to further such co-operative relations, he added.

Lattanzio said that the Italian Government attaches importance to economic co-operation between the two countries and hopes such co-operation would be developed better.

He said the first joint committee session marks a new stage of Italian-Chinese economic co-operation.

Lattanzio stated that the Italian Government supports an early restoration of China's status as a contracting party of the General Agreement of Tariffs and Trade (GATT), adding that this is of importance.

Premier Li expressed the hope that the joint committee session would achieve success through the common efforts of the two sides.

Present at the meeting were Shanghai Mayor Huang Ju, Deputy Secretary-General of the State Council He Chunlin, Vice-Minister of Foreign Economic Relations and Trade Gu Yongjiang and Italian Ambassador to China Oliviero Rossi.

Official Meets Luxembourg Communist Party Group
SK1811090791 Tianjin TIANJIN RIBAO in Chinese
 4 Sep 91 p 1

[Text] On the morning of 3 September at Shuijingong Hotel, Liu Jinfeng, deputy secretary of the municipal party committee, cordially met and talked with Aloyse Bisdorff, chairman of the Luxembourg Communist Party, and his entourage.

During the reception, Liu Jinfeng, on behalf of the Tianjin Municipal CPC Committee, warmly welcomed Chairman Bisdorff on his visit to Tianjin. While introducing Tianjin's situation, Liu Jinfeng said: Over the past decade since the introduction of reform and opening-up, big changes have taken place in Tianjin, where the political situation has been stable, the economy has developed, and living standards have improved. No matter how grave the difficulties may be, we will always achieve success in building the socialist cause. When speaking on his feeling about his visit to Tianjin, Bisdorff said that Tianjin was a city with great vitality. Liu Jinfeng also answered the related questions offered by the guests, and talked with the guests on the issues of common concern. The Luxembourg guests visited the Tianjin Economic and Technological Development Zone on 3 September. On 4 September, they will go to Daqiu Zhuang for observation and visiting.

Bank Of China Representative Honored in London
OW1911230191 Beijing XINHUA in English
 1852 GMT 19 Nov 91

[Report by Xue Yongxing]

[Text] London, November 19 (XINHUA)—A senior Chinese banker was honoured here today with the award of an Honourary Officer of the British Empire (O.B.E.) from Britain's Queen Elizabeth II.

The award was presented to K.C. Wu, adviser to the Bank of China London Branch, by the British Chancellor of the Exchequer, Norman Lamont, at a ceremony at No. 11 Downing Street, the chancellor's official residence in London.

Lamont said that the award was in recognition of Wu's "valuable services rendered to British-Chinese banking institutions" over the years.

Wu, accepting the honour, said: "To my mind, Anglo-Chinese banking relations represent a very important part of overall Anglo-Chinese relations."

"I am very proud that I have been able to play a small part in the maintenance and improvement of these relations," he added.

Wu, 68, joined the Bank of China at the age of 16. Since 1944, he has been working at the Bank of China London Branch for 47 years. He was a senior deputy general manager before becoming adviser.

Thanks to his contribution to the banking community in the City of London, he was elected honorary president of the Foreign Banks and Security Houses Association in 1990.

In 1988, he was invited to sit on the National Committee of the Chinese People's Political Consultative Conference.

The Bank of China opened its first overseas bank in London in November 1929. Now operating both as a government bank and as a commercial bank, the Bank of China is one of the leading foreign banks in the City of London, one of the major financial centres in the world.

Asked about his feelings towards the honour, Wu told XINHUA that the honour did not belong to himself alone. He said with modesty that only as a member of the Bank of China could he work to establish contacts with many colleagues in the city and able to make a contribution to the Sino-British banking relations and to the London banking community as a whole.

German Envoy Inspects Shandong Grain-Aid Project
SK1511073491 Jinan Shandong People's Radio
 Network in Mandarin 2300 GMT 14 Nov 91

[Text] At the invitation of the Shandong provincial government, German Ambassador to China Hannspeter paid a four-day visit to Shandong Province starting 11 November. On the afternoon of 14 November Governor Zhao Zhihao cordially met with Ambassador Hannspeter at Jinan's Nanjiao Guesthouse.

During the visit, Ambassador Hannspeter went to Zibo, Yiyuan, Yishui, and Mengyin to inspect how the China-Germany cooperative project on grain aid was carried out in Shandong.

During the reception, Governor Zhao Zhihao extended a warm welcome to Ambassador Hannspeter on his visit to Shandong and expressed thanks to the German Government for its monetary and technological help to Shandong's poverty-stricken areas in overcoming difficulties and in improving people's living conditions. Agreeing with the ambassador's views, Zhao Zhihao maintained that the China-Germany cooperative project on grain aid to Shandong has been carried out smoothly and successfully. Zhao Zhihao said: There is a saying in China: Seeing good turns through to the end. The Chinese side will conscientiously use and successfully manage the facilities that have already been completed to produce even more obvious effects.

Ambassador Hannspeter expressed satisfaction with the cooperation and support from the Chinese. He said: The success in the grain aid project in Shandong indicates that the cooperation between China and Germany bodes well. The German side will strive to continuously broaden cooperation with Shandong Province. Governor Zhao Zhihao expressed deep appreciation for this.

Vice Governor Wang Jiangong was also on hand during the reception.

Construction Bank Opens Office in London

OW1511033091 Beijing XINHUA in English
2214 GMT 14 Nov 91

[Text] London, November 14 (XINHUA)—A senior Chinese banker said here today that China will take bigger steps to enter into and seek closer cooperation with the international financial circles.

Zhou Daojiong, president of the People's Construction Bank of China (PCBC), said this at a reception in the Chinese Embassy on the occasion of the opening of a PCBC representative office in London.

The London office is the first ever overseas representative office set up by the PCBC, one of the four largest state-owned specialized banks in China.

Zhou said that his bank would work to play its part in the international financial circles, adding that London was chosen for its first overseas office because it is one of the oldest and major financial centres in the world.

"Our London representative office will act as an important window to get access to economic and financial information in U.K. as well as Europe, to strengthen business ties and cooperation with the British and European banks and relay our business and our cooperation desire onto the international financial circles all over the world," he said.

The opening reception was attended by about 300 people including leading British bankers and Chinese Ambassador to Britain Ma Yuzhen.

The PCBC, set up in 1954, is a specialized bank which carry a major character [as received] of long-term project financing. It is also engaged in government investment management and credit banking, with its business scope covering both domestic and international banking business.

Today, the bank has a total staff of more than 210,000, with 4,060 branches and sub-branches, 16,000 deposit taking offices. Its total assets and capital funds exceeds 100 billion and six billion U.S. dollars respectively.

According to the London-based "EUROMONEY" and "BANKER" magazines, the PCBC ranks 28th in terms of capital among the 500 top banks in the world.

According to PCBC officials, the bank aims to become a major international banking institution. There has been a rapid growth in its international operations since 1988. Up to last August, its balance of foreign currency deposit was 1.2 billion dollars, borrowing from international capital market was 0.56 billion dollars and foreign currency lending was 1.4 billion dollars.

Cypriot Telecommunications Official Interviewed

OW1811131891 Beijing XINHUA in English
1307 GMT 18 Nov 91

["Cyprus To Become Telecom Center in Middle East (by Chen Dechang)"—XINHUA Headline]

[Text] Nicosia, November 18 (XINHUA)—Boasting the world's fourth best in automatic telecommunication service, the tiny eastern Mediterranean island of Cyprus is determined to turn the country into a telecom center in the region. "Cyprus will be linked with Greece, Syria, Lebanon, Israel and Egypt by submarine high capacity optical waveguide cable for telecommunications in four years," an official from the Cyprus Telecommunications Authority (CYTA) said in a recent interview with XINHUA. Kyriakos Christodoulides, assistant manager of CYTA said that by accomplishing the work by 1995, Cyprus will become a telecom center in the Middle East. Since the first submarine telegraph cable between the eastern coast of the island and Lattakia, Syria, was laid in 1870 [as received] and a number of manual-telephone networks adopted in the second decade of this century, Cyprus has witnessed a rapid development in telecom service especially after the island gained independence in 1960. Cyprus has established its automatic telephone linkages by submarine cables or satellite systems with more than 130 countries and regions, including China, making its automatic direct telecommunications service the fourth best in the world only after the U.S., Britain and Australia. In 1961, one year after the independence of the country, a total of 100,698 minutes of overseas telephone traffic was recorded, while in 1990, the figure for the international outgoing traffic only was 57,040,000 minutes. A very rapid growth of cellular mobile radiotelephony has been made since its introduction in 1988, with 300 radio channels at present serving some 4,000 mobile subscribers all over Cyprus, less than half its total capacity of serving 10,000 subscribers. Even neighboring Lebanon has made use of the island's advanced mobile telephone service system to communicate with the outside world. It was reported that Lebanese have in recent years purchased some 2,200 Cyprus radio lines, making Cyprus the telephone center for Lebanon. At present, progress in all fields of telecommunications is continuing with the telephone network being steadily expanded by digital switching and transmission systems using the overlay approach. According to Christodoulides, plans to satisfy the demand for telephone service in towns and rural areas are also being implemented. They involve a balanced urban and rural telephone network expansion whereby, by 1993, the digital network capacity in both transmission and switching will be about 80 percent of the total network capacity. Meanwhile, new services such as video conference, videotex and electronic mail are expected to be introduced from next year onward, Christodoulides said.

Latin America & Caribbean**Peruvian President Fujimori Visits Shenzhen**

OW1711135291 Beijing XINHUA in English
1341 GMT 17 Nov 91

[Text] Shenzhen, November 17 (XINHUA)—Peruvian President Alberto Fujimori and his party visited Shenzhen in south China this morning at the invitation of the Chinese government.

The Peruvian guests were greeted by Chinese Minister of Public Health Chen Minzhang, who had specially come to Shenzhen.

Chen expressed welcome to Fujimori on behalf of the Chinese government and conveyed regards from General Secretary of the Central Committee of the Chinese Communist Party Jiang Zemin, Chinese President Yang Shangkun and Premier Li Peng. Fujimori expressed his thanks for this.

Mayor of Shenzhen Zheng Liangyu hosted a banquet for the president and his party at noon.

The Peruvian guests visited an exhibition on the city's achievements in implementing the reform and open policy over the past decade and an electronics company. Fujimori said he was deeply impressed by Shenzhen's achievements.

Fujimori and his party left here for home this afternoon.

Cuban Minister Without Portfolio Visits Tianjin

SK1811085391 Tianjin TIANJIN RIBAO in Chinese
8 Sep 91 p 1

[Text] Zhang Lichang, acting mayor of Tianjin Municipality, cordially met with Jose Alberto Naranjo Morales, Cuban minister without portfolio, and his party at the Sheraton Hotel at noon on 7 September. They held talks in a friendly, frank, and sincere atmosphere.

The major purpose of Minister Naranjo's visit was to gain a thorough understanding of the achievements and experiences in China's reform and opening up. On behalf of the municipal party committee and government, Zhang Lichang extended a warm welcome to the Cuban guests. During the talks, Zhang Lichang said: Reform and opening up require a stable and united environment and stability in people's feelings and in society. Only when cadres at all levels, as well as party members and ordinary people, unify their thinking and support reform can there be success. He also introduced Tianjin's reform and opening up. Geng Jianhua, deputy director of the foreign affairs office of the municipal government, was present at the meeting.

Minister Naranjo visited the Tianjin Station, the ancient culture street, and the restaurant mall. Jose Armando Guerra Menchero, Cuban ambassador to China, accompanied the minister during the visit to Tianjin.

Political & Social

Journalist's Husband 'Optimistic' About Return

HK2011062691 Hong Kong MING PAO in Chinese
20 Nov 91 p 8

[“Special dispatch”: “Dai Qing’s Husband Maintains Optimistic Attitude Toward Dai Qing’s Safety, Estimates She Will Return in Three to Four Days”]

[Text] According to combined reports from staff reporters and foreign news agencies, woman journalist Dai Qing, who was detained by Chinese public security authorities on 16 November, had yet to return to her family by 2300 [1500 GMT] yesterday. Her husband Wang Dejie expects that she will return home in about three or four days’ time. For its part, the United States believes that Dai Qing will be permitted to go to the United States.

In a telephone interview with this reporter, a person at GUANGMING RIBAO’s editor in chief’s office refused to confirm Dai Qing’s whereabouts. This reporter asked: “Was Dai Qing assigned to news gathering? Has she returned home now?” The person said: “I don’t know.”

According to a staff member, Dai Qing is still a staff member of GUANGMING RIBAO’s office, but she has not come to work recently.

“Since the second half of 1989 to this day, has the office ever assigned her a news-gathering task?” this reporter asked. The staff member answered: “It is difficult to talk about it.”

He said that he had no idea the United States had granted her a scholarship and had invited her to study in the United States as a visiting scholar.

On the other hand, U.S. State Department spokesman Boucher said: The Chinese leaders have made a commitment to U.S. Secretary of State James Baker that intellectuals like Dai Qing will be allowed to go abroad provided there are no criminal proceedings pending against them. However, he said that U.S. diplomats in Beijing had not yet contacted Dai Qing up to yesterday.

The original name of Dai Qing, aged 50, was Fu Ning. At 1200 on 16 November, her friends witnessed the following: While waiting at the Mingzu Hotel for a telephone call from somebody at the U.S. Embassy on arrangements for a meeting with Baker, Dai Qing was picked up by uniformed security personnel.

The day before yesterday, her husband was informed through a telephone call by GUANGMING RIBAO personnel that Dai Qing was sent to Qinhuangdao for news coverage and would return home at 2100 that very day, but she had not returned home by last evening. When interviewed by this reporter, Wang Dejie predicted that the authorities concerned would let her go only after the trend of events was over. He was quite adamant about her safety.

Last evening a number of journalists went to her residence to wait for Dai Qing’s homecoming and left a little late in the night. A car, which was said not to belong to tenants of the compound where Dai Qing lives, drove away only after the group of journalists had left in a car.

Shenzhen Customs on Enforcing Prison Product Ban

HK1911131191 Beijing ZHONGGUO XINWEN SHE
in Chinese 1158 GMT 19 Nov 91

[Text] Shenzhen, 19 Nov (ZHONGGUO XINWEN SHE)—To enforce the regulation from concerned State Council departments on banning the export of products made by reform-through-labor institutions, the General Administration of Customs recently issued a circular ordering all customs departments to turn down, without exception, all applications by any departments or enterprises to export products from reform-through-labor institutions and to impound any such goods in accordance with relevant laws.

Approved by the State Council and jointly issued by the Ministry of Foreign Economic Relations and Trade and the Ministry of Justice on 10 October, the “Regulations on Reiterating Ban on Exporting Products From Reform-Through-Labor Institutions” put products from reform-through-labor institutions on the list of goods banned from export by the state. The General Administration of Customs reiterated in the circular that the practices of concealing or camouflaging, and failure to declare or false declaration on, products from reform-through-labor institutions in a bid to escape the customs’ monitoring effort, and any other such attempts, will be handled by customs in reference to Articles 3 and 5 of the “Details of Implementation of Administrative Punishments in PRC Customs Laws.” Cases of practices which are particularly serious in nature and constitute crimes will be handed over to judiciary organs in pursuance of investigating legal responsibility.

It is understood that Jiulong Customs has notified all subordinate organs to strictly enforce enforcing the instructions upon receipt.

Plenum Slated for 25 Nov; To Stress Agriculture

HK2011025391 Hong Kong TA KUNG PAO
in Chinese 20 Nov 91 p 2

[Report: “CPC’s Eighth Plenary Session To Be Held in Beijing Next Week”]

[Text] The Eighth Plenary Session of the 13th CPC Central Committee, which has been the focus of public attention, will open in Beijing on 25 November. The session’s main agenda is agriculture. A resolution on stepping up agriculture and rural work will be deliberated and adopted. A plenary session usually lasts three to four days.

In light of the outline for the 10-Year Development Program adopted by the National People’s Congress

[NPC] in April this year, the country's grain output should reach 500 million tons, and cotton, 5.25 million tons by 2000. For this reason, it is necessary to stabilize the basic policies in rural areas for a long time to cor.æ, increase input in rural areas by a wide margin, make strenuous efforts to boost agriculture by means of science and technology and education, and gradually shift the agricultural production system onto the track of advanced technology. The building of a number of water conservancy works and diversion works aimed at bringing large rivers and lakes under control and expansion of farmland under irrigation were already included in the original scheme. Because of the serious floods in summer, it is all the more urgent to study the building of water conservancy works.

Observers believe that the CPC will make analyses and deliberations of the current domestic and international situations at the plenary session. In accordance with the CPC Constitution, CPC Central Committee Political Bureau personnel arrangements can be made at a plenary session.

Editorial Previews Session

HK2011060791 Hong Kong WEN WEI PO in Chinese
20 Nov 91 p 2

[Editorial: "Looking Forward to CPC Eighth Plenary Session"]

[Text] After convening the recent CPC Central Committee work meeting, the CPC Central Committee will soon convene the Eighth Plenary Session of 13th CPC Central Committee, to discuss agricultural problems and the problem of deepening rural reform.

China is a big country with 22 percent of the world's population, but only 7 percent of the world's farmland, and its agriculture is under incomparable pressure. Therefore, in China, agriculture belongs to the economic domain on the one hand, and has great social and political significance on the other hand. Judged from the economic aspect, agriculture is the source of food and clothing for people, and farmland products are the important raw materials for industrial development, while the rural areas are a big market for commodity economy. In the 1980's, China's agriculture basically satisfied 1.1 billion people's demand for food and clothing; in the 1990's, it must satisfy 1.2 billion people's demand for a relatively comfortable life. Judged from the social aspect, whether agriculture can develop steadily and provide farm products which correspond to the basic trend in gradual improvement of living standards have an important bearing on whether we can maintain social stability. Judged from the political aspect, China is populous, and if it cannot maintain self-sufficiency in farm products and overly relies on imports, then others will control it, and once the international political situation changes, it might become passive, and even the country's security might be jeopardized. Obviously, in China, without stability in the

rural areas, the whole country cannot be stable; without a relatively comfortable life for peasants, the people throughout the country cannot have a relatively comfortable life; without agricultural modernization, the country cannot have a modernized national economy; and without overall advancement in the rural areas, all of society cannot have advancement. China must attach importance to agriculture. Precisely because of this, after convening the special meeting to discuss the problem of invigorating state-run large and medium enterprises, which are the pillar of the national economy, the CPC Central Committee will convene the Eighth Plenary Session, to discuss the problem of agricultural development, which is the national economy's foundation.

During reform, China's rural areas have established a two-tier operation system which integrates centralization with decentralization. As the grass-roots tier, the system of contracted responsibilities on the household basis enables peasants to have a high sense of responsibility and great enthusiasm, and we should stress and stabilize this basic system to "reassure" the peasants. At the same time, to maintain the system and enable it to enhance vigor, we must change the phenomenon in which some localities have a weak centralized operation tier and poor service to the system of contracted responsibilities on the household basis. At present, we must actively develop socialized service systems. This will enable us to properly do the things which cannot be done properly by a single household or family; to save manpower and money; to eliminate the unbalanced nature of the system of contracted responsibilities on the household basis; and to enable agricultural production to develop in the direction of commercialization, modernization, and socialization on the premise of dispersed family operation. It can also strengthen our collective economy. This is the road of agricultural development suited to China's characteristics. This time, the Eighth Plenary Session will discuss improving the two-tier operation system, which integrates centralization and decentralization, and active development of socialized service systems, which are the key problems of deepening the rural reform.

Large floods occurred in China during the summer and revealed many problems, providing many valuable hints as well as strengthening the central government's determination to harness rivers. The Eighth Plenary Session will discuss the building of water conservancy projects, which is a 100-year undertaking, and emphasis will be on harnessing big rivers and streams.

The Eighth Plenary Session will thoroughly discuss agricultural problems. The meeting will also discuss the problems of adjusting rural industrial structure, promoting reform of the circulation system of farm products, using science and technology and education to invigorate agriculture, increasing agricultural inputs, helping poor areas, regional coordination, building rural grass-roots organizations, and ideological education. In the 1980's, China's agricultural development first relied on policy; second, on science and technology; and third, on input. When the Eighth Plenary Session discusses

agricultural problems, it will also embody the basic spirit of relying on policy, science and technology, and input.

Recently, the international situation changed rapidly. Facing the new world pattern, the CPC Central Committee will soon convene two important meetings, one on industry, another on agriculture. This fully indicates that the CPC Central Committee's central task is still to develop the economy and to concentrate strength to do our own things well.

Article Sees Conflict Within CPC Top Echelon

HK1911132091 Hong Kong PAI HSING in Chinese
No 252, 16 Nov 91 p 9

["Report From Beijing" column by Ouyang Wei (2962 7122 4850): "Strange Phenomenon in Stalemate Between Two Factions: Deng's Efforts To Have Zhao Ziyang Return to Work Thwarted"]

[Text]

Jiang Zemin Criticizes Gao Di

Jiang Zemin delivered a lengthy speech on 25 September to mark the 110th anniversary of Lu Xun's birth. When carrying this speech, RENMIN RIBAO wrote an abstract of it. Jiang Zemin believed the essence of the abstract was not comprehensive enough and criticized Gao Di for it. Gao Di was far from popular in the RENMIN RIBAO Office. When people learned that Gao Di had been criticized the incident spread extensively inside the office.

Consequently, Gao Di passed around the record of talks he held with Hu Qiaomu on 7 September within the RENMIN RIBAO office party organization. Hu Qiaomu commended Gao Di for his accomplishments in his post at RENMIN RIBAO in the talks.

Hu Qiaomu Gave Instructions to Party Mouthpiece To Criticize Hu Jiwei, Wang Ruoshui; To Single Out Hu Yaobang

Hu Qiaomu's talks with Gao Di on 7 September were sorted out in written form on 17 September and printed as an internal document, which was passed around inside the RENMIN RIBAO Office party organization. The essence of Hu Qiaomu's talks is as follows:

During his time in office at RENMIN RIBAO after the "Cultural Revolution," Hu Jiwei spread many erroneous ideas, the object of which being precisely to separate RENMIN RIBAO from the Central Committee leadership. The true features of Hu Jiwei and his important partner Wang Ruoshui were laid bare in the 1989 political storm and it was Hu Jiwei who led RENMIN RIBAO into committing its most serious mistake in 1989. To help RENMIN RIBAO, it is necessary to weed out the ideas of Hu Jiwei and Wang Ruoshui. In conducting criticism, it is necessary to pay attention to accuracy, allowing no loopholes which can be taken advantage of.

RENMIN RIBAO's erroneous guidance was making itself markedly felt in 1979: for example, the continuous coverage of the Zhang Zhixin incident and advocating livelihood before production. Hu Yaobang shielded and supported Hu Jiwei and Wang Ruoshui and Qin Chuan followed Hu Jiwei closely, whereas Qin's confession was nothing but empty words.

A concept these people shared was that affinity to the people ranks above party spirit. The Soviet Union has precisely provided China with a living example and bitter lesson of deserting the party leadership. Gorbachev has reduced the world's first socialist country to the present situation, which only proves that Marxism-Leninism, the doctrines on class struggle, the party, and the proletarian dictatorship, remain irrefutable truths.

In addition, Hu Qiaomu instructed Gao Di on the party's mouthpiece's work from now on. One of the points was to carry a daily editorial. Hu Qiaomu said: "From now on, RENMIN RIBAO should carry an editorial daily; it used to be so, but later, Hu Yaobang agreed to changing the practice. It won't be easy to deliberately speak contrary to the central authorities in an editorial, which has to be first submitted to them for their deliberation."

Reaction From Party Mouthpiece Personnel: Repugnance, Wait-and-See Attitude

Despite Jiang Zemin's criticism of Gao Di, and Qin Chuan's report to the central authorities on Gao Di's problem, Gao Di issued an internal document after the Central Work Conference, passing it around within the party. This only aroused repugnance and indifference among the RENMIN RIBAO personnel. Someone said: It was actually Hu Qiaomu himself who was first to advocate "affinity to the people." This can be found in written documents and was done under specific historical conditions, when Hu Qiaomu was compelled to go with the tide. He now wanted others to criticize the concept which others shared with him. Such practice was typical of mainland China, where "reason rests with those in power." People adopted a wait-and-see attitude, not without curiosity, regarding "repudiating Hu Jiwei and Wang Ruoshui." The document did not make explicit whether they would be condemned in speech or in writing. Should they be condemned in speech, people doubted that such a meeting would be successful, even with a huge sum of money for "welfare" as stimulation. Besides, could they find the hatchet men to launch the attack? Or, should they be condemned in writing, how many articles could they manage to buy? Many people are waiting to see. Hu Qiaomu is rather arrogant and basically does not care to weigh the present situation. He and Deng Liqun are enjoying the treatment for vice ministers and he is doing his best to appear in public. Recently, he has given tips on organizing articles to refute articles carried in the Hong Kong press.

Hu Qiaomu is getting very old indeed but his ambition for personal fame and gain is stronger than ever. He aims

to publish two books, one of which is entitled *My Twenty Years With Chairman Mao Zedong*. Nevertheless, he has failed to organize a writing group to do the job because most middle-aged and young people who would wish to seize the opportunity to get a rewarding promotion do not meet the requirements. On the other hand, the qualified senior writers have little ambition for personal fame and gain and are unwilling to curry favor, especially having seen the miserable fate of Tian Jiaying [3944 1367 5391], Mao Zedong's secretary. They fear that no better fate would await them should they become Hu Qiaomu's ghost writers. Others hold the view that, let Hu Qiaomu whitewash himself and talk big, should his book be published at all. It would be a worthy negative "document" in the days to come!

Dispute Over Handling Zhao Ziyang's Case at Central Work Conference

At the September Central Work Conference, Deng Xiaoping proposed that Zhao Ziyang return to work but his proposal met with opposition from the octogenarians and those in power. This shows Deng Xiaoping's say has been greatly reduced and even Bao Tong's return to work was barred. On the other hand, when Wang Zhen was on an inspection tour in various parts of China, he strongly criticized the state of affairs in the Soviet Union today. On several occasions he singled out Zhao Ziyang, saying "Zhao was precisely the capitalist-roader in power." Aside from the absolute indifference on the part of the audiences, none of the press had the guts to cover his speeches; such conditions showed that the two factions are in a stalemate. Hu Qiaomu and Deng Liqun have become Chen Yun's proteges and consider themselves to be ideological authorities. Nevertheless, Deng Liqun's desire to become general secretary was not quenched and the momentum of "antipeaceful evolution" has not been strong enough. The "antipeaceful evolution work team" has so far not dared to demonstrate against the Chinese people as did Jiang Qing's "leading group of the Cultural Revolution." This shows the difficulty in breaking through such a deadlock and the seeming so-called "situation of stability." But there is actually no peace inside the cloak of this mainland "situation of stability."

CPC Steps 'Guard Against Peaceful Evolution'

HK2011061691 Hong Kong CHIUSHIH NIENTAI in Chinese No 262, 1 Nov 91 pp 36-37

[Article by Shih Hua (2457 5478): "Various Actions Taken by CPC To Guard Against Peaceful Evolution"—first two paragraphs are CHIUSHIH NIENTAI introduction]

[Text]

The CPC has set up a "Committee for the Prevention of Peaceful Evolution," made arrangements in various ways, and devised countermeasures to guard against peaceful evolution. It has adopted a series of measures to cope with

the "macro international climate" and "China's own micro climate" economically, politically, culturally, and militarily.

This reporter gathered some political information concerning the Chinese mainland over the past month and would like to publish them here for the readers.

A Special Committee for the Prevention of Peaceful Evolution

The CPC has set up a "Special Committee for the Prevention of Peaceful Evolution" to deal with possible shocks brought about by the great changes in the Soviet Union and East Europe. The committee decided to hold a meeting on 25 or 26 October to make arrangements in the economic, political, cultural, military, and other fields of endeavor, and devise countermeasure to guard against peaceful evolution.

Before the formal committee meeting was held, the "leftist" outcry for the prevention of peaceful evolution had been raised. It was especially spearheaded at cadres engaged doing foreign affairs and overseas Chinese affairs work. In dealings, particularly trade dealings with the outside world, stress should be put on drawing up a clear demarcation line and guarding against adverse influences.

What concerns Hong Kong is the "Delegation for Consoling Flood Victims in East China" organized by World Vision of Hong Kong. The delegation, originally scheduled to leave for the flood-hit areas together with goods and materials on 11 October, came close to being canceled. In the end, no media were allowed to go along with the delegation. Moreover, the delegation was asked to handle news gathering in a low-key fashion and minimize publicity. This was originally a part of the donation-collecting activities in which the entertainment community took part. As a result of "guarding against peaceful evolution," the activities were devoid of activism.

Don't Be Visibly Pleased

In Beijing there was a story about the coup in the Soviet Union and its failure, like this.

It has been said that during their stay in the Soviet Union, a senior official from the Soviet Far Eastern region met the Sino-Soviet border trade negotiations delegation. During the meeting, the official disclosed that in the coming party congress, Mikhail Gorbachev would probably be removed from office. This argument could possibly be the official's personal assessment, but when it reached Beijing, the old men, with Deng Xiaoping in the lead, were extremely excited and ordered Qiao Shi, who is in charge of security, to try his best to find out the exact details of the opposition.

On 19 August, when the Soviet Union broadcast the downfall of Gorbachev, on the one hand, the CPC media were ordered to publish in detail all accusations made by

the Soviet coup plotters, the "State Emergency Committee," and on the other hand, the higher echelons of the CPC leadership, aware of the trend in the "macro international climate," ordered cadres at all levels "not to be visibly pleased."

In fact, cadres at middle and lower levels who were already unhappy with echelons in the CPC leadership and were worried about the coup taking place in the Soviet Union, did not have the slightest feelings of "being pleased." It was only three days later, when the Soviet coup fell through, Gorbachev resumed office, and the Communist Party was dissolved, that ordinary CPC cadres at middle and lower levels and intellectuals said privately: "Don't be visibly pleased."

The CPC's Relations With South and North Korea

Relations between the CPC and South Korea are developing rapidly. Quasi-governmental trade offices have been set up in both Seoul and Beijing. Moreover, Shandong Province has opened wide to South Korean investment, making things convenient for South Korean investors in various fields, including visas. It has been said that according to the CPC's strategy of opening up to the outside world, Guangdong is slated as a special zone open to Hong Kong and Macao, Fujian to Taiwan, Shandong to South Korea, and Liaoning to Japan, with each doing business with the designated countries and regions on a large scale.

South Korea has always hoped for recognition by the CPC and the Soviet Union in return for recognition of North Korea by the United States and Japan. This is so-called cross-recognition. The headway made in its economic and trade relations with the CPC has made South Korea fancy that there is a possibility of achieving a diplomatic breakthrough.

Nevertheless, in this regard the CPC has revealed its intentions toward South Korea. A representative of a big enterprise which has connections with South Korean political circles was informed that "our relations with South Korea are economic and trade ones, while those with North Korea are strategic ones."

This shows precisely that establishing diplomatic relations with South Korea is impossible in the foreseeable future. When North Korea's President Kim Il-song visited Beijing in early October, the CPC stated all the more: No matter how the external situation changes, the CPC will resolutely cooperate with North Korea.

Kim Il-song's visit was apparently aimed at seeking a closer alliance with Beijing following the collapse of communism in the Soviet Union. Although the CPC's worries about missiles stationed by the Soviet Union on the Korean peninsula and targeted at the Chinese mainland have been removed, it continues to adhere to its "strategic alliance" with North Korea. Strategic relations of this kind apparently refer to an alliance of countries upholding the communist system.

Three Phrases Concerning Economic, Political, and Cultural Situations

In Beijing, there are three phrases concerning the CPC's current economic, political, and cultural situation. The economic and political aspect refers to the CPC's relations with other countries, while the cultural aspect refers to its domestic policy.

Economically, one fawns on others.

Politically, one adapts oneself to circumstances.

Culturally, one is extremely vicious [qiong xiong jie 4522 0423 2817 1921].

The economic aspect refers to "fawning" on Western countries courting favors, including such things as investment, loans, and aid.

The political aspect refers to the fact that the CPC's attitude during the Gulf war and before the Soviet coup's failure stressed "the people's choice," but after Gorbachev's return to power the CPC's statement stressed developing friendly relations on the basis of Gorbachev's visit to China in 1989 and Jiang Zemin's visit to the Soviet Union last year.

The cultural aspect refers to criticism of the philosopher Li Zhehou and RENMIN RIBAO in the form of an internal document. The latest meeting to criticize Li Zhehou was held in Beijing in mid-1991, with more than 50 related scholars from the Chinese Academy of Social Sciences present. The meeting's conclusion maintained: Hostile forces at home and abroad are carrying out infiltration and subversive activities against the Chinese mainland in the political, ideological, cultural, economic, and other fields. The struggle in the ideological and cultural fields is extremely pronounced. According to Li Zhehou's theories, such as "national salvation overwhelming enlightenment" and "making Western systems serve China," it is a historical mistake for the Chinese mainland to choose socialism. China must take the capitalist road.

Moreover, in internal matters the CPC criticized RENMIN RIBAO for "committing extremely serious mistakes" over the last 10 years. It antagonized the four cardinal principles many times in the past; energetically advocated the ideological trend favoring "bourgeois liberalization"; and, in 1989, during the period of "turmoil," it committed an extremely serious mistake in guiding public opinion, "thus bringing losses that could hardly be made good to the party, the state, and the people."

Military Parades and Exercises in Guangzhou and Nanjing

Apart from "being extremely vicious culturally," the CPC has stepped up precautions against peaceful evolution in military and security terms.

On 14 October, the CPC announced that it had cracked down on "Taiwan Kuomintang spy" cases in places like Shanghai, Fujian, and Guangdong. The people arrested were mostly people who were recruited as spies by "Kuomintang secret agents" when they went to Taiwan or abroad to visit relatives in 1989.

Moreover, it has been learned that in addition to the military parade in Guangzhou on National Day on 1 October, which was formally made known to the outside world, military parades and exercises were also conducted in other localities, including Fujian and Nanjing. Military exercises took place in areas reaching from the northeastern region of Fujian to Xiamen in the south through Fuzhou were conducted with the naval fleet as the main body. In Fujian's coastal areas and hinterland counties and cities, militiamen were ordered to conduct exercises. Three thousand militiamen were involved in exercises conducted in Sanming City, an industrial city of strategic importance in the middle section of the Min Jiang. Troop reviews in the Nanjing area were mainly conducted by the airborne troops and water-mobile troops under the command of an Air Force unit. The militia exercises were aimed at augmenting domestic defense, while the naval and air exercises seemed to be aimed at making preparations for amphibious actions.

Officials Study Jiang Zemin's Speech

HK3110073891 Beijing QIUSHI in Chinese No 18,
 16 Sep 91 pp 8-21

[Article by Chen Jinhua (7115 6930 5478), Wu Shuqing (0702 2885 7230), Jiang Xuemo (5592 1331 2875), Liu Suinian (2692 7151 1628), Chen Zuolin (7115 0155 7207), Zeng Zhi (2582 1807), Wang Guang (3769 0342), Zhou Guangzhao (0719 0342 0664), and Zhao Xin (6392 1416): "Notes on Studying Comrade Jiang Zemin's 1 July Speech"—first paragraph is editor's note]

[Text] Comrade Jiang Zemin's speech at a meeting marking the 70th anniversary of the founding of the CPC is an important Marxist document. Holding high the banner of Marxism-Leninism-Mao Zedong Thought, the "Speech" profoundly sums up the glorious course and great achievements of our party in leading the people of all our nationalities in heroic struggle during the past seven decades, scientifically expounds the party's noble mission at the present stage, and puts forward the basic requirements for further building up the party in the new period. The "Speech" not only mobilizes the whole party and nation to redouble their efforts in building socialism with Chinese characteristics, but charts the orientation for the whole party and nation in the present complicated international situation. In recent times, the ranks of party members and cadres have been studying the "Speech" in light of the international and domestic situation as well as their actual thinking. In order to promote further study, we have organized a discussion and invited some comrades to share their views with us.

"Adhering to the Four Cardinal Principles and Persisting in Reform and Opening to the Outside World Supplement Each Other" by Chen Jinhua, Director of the State Commission for Restructuring Economy

General Secretary Jiang Zemin's speech at the meeting marking the 70th anniversary of the founding of the CPC sums up the CPC's 70 years of struggle and puts forward the noble mission of contemporary Chinese Communists. The task confronting Chinese Communists is to develop a socialist economy, political system, and culture with Chinese characteristics; more consciously implement the party's basic line of taking economic construction as the central task, adhering to the four cardinal principles and persisting in reform and opening to the outside world in a more all-around way; and make China really work.

Practice proves that the policy of reform and opening to the outside world decided by the Third Plenary Session of the 11th CPC Central Committee is entirely correct. Within a short span of a little more than 10 years, we have achieved universally acknowledged successes under the guidance of this policy. No matter how the international situation may change, we will unswervingly press on with our reform and opening. Looking back on the past and ahead to the future, I think we should pay attention to the following three points in reform and opening to the outside world:

1. Reform is the self-improvement and self-development of the socialist system.

Socialism is a natural product when the internal contradictions of capitalism have developed to a given stage. It represents a new historical stage in the history of the development of mankind. Lenin once said: "Socialism is not established upon orders from above. It is incompatible with the bureaucratic and mechanical approach in official circles. Viable and creative socialism is established by the masses themselves." (*Collected Works of Lenin*, Second Edition, Vol 33, p 53) Unlike any social system in the long history of mankind, socialism is not a cause of the minority. Rather, it is the cause of the working people in their hundreds and millions. Since its birth, this newborn thing has been besieged, attacked, and subject to blockade and subversion by the capitalist world daily and hourly. Since there are no precedents to follow, and it is immature and has a very short history, it is inevitable for socialism to make mistakes and encounter complications in the course of its development. Socialism can only make self-improvement by making repeated comparisons and explorations through protracted practice and uninterrupted reform. Engels pointed out long ago that socialism was not something immutable, but was a society of constant changes and reform. The CPC has always treated the mistakes of socialism in a serious and responsible way. It has always been conscientious in studying its own practical experience and theoretical viewpoints as well as those of other socialist countries. The policy of reform and opening to the outside world advocated by Comrade Deng Xiaoping

and formulated by the party Central Committee since the Third Plenary Session of the 11th CPC Central Committee has been shaped by this correct guiding thought. We stated clearly at the very outset of the reform that our aim in reform and opening to the outside world is to promote the self-improvement and self-development of the socialist system and fully display the advantages of the socialist system. However, some people at home and abroad have been trying to restore capitalism in the name of reform and opening up in their vain attempt to turn back the wheels of history. Since this so-called "reform and opening up" has already done serious damage to the socialist cause, Comrade Jiang Zemin emphasized in his speech the need to distinguish between two fundamentally different concepts of reform and opening up and warned us against the dangers of practicing the capitalist concept of "reform and opening up." This is indeed an essential and necessary step.

2. We must proceed from the actual situation in the primary stage of socialism and clearly identify the goals and priorities of economic restructuring.

In his speech, Comrade Jiang Zemin discussed on the basis of the integration of theory and practice the three basic tasks in building a socialist economy with Chinese characteristics. These three tasks are: We must take the public ownership of the means of production as the main form of ownership and allow and encourage the appropriate development of other economic sectors, treating them as necessary and useful supplements to the public economy, and never practice privatization. We must implement a system of distribution with "to each according to his work" as the main form, supplemented by other forms of distribution in order to gradually realize common prosperity for all the people. We must establish an economic structure and operational mechanism which are consistent with the development of the socialist planned commodity economy and which combine a planned economy with the use of market forces. These three objectives were put forward on the basis of a summary of China's practical experience in socialism over the past four decades and longer. The basic starting point of these three objectives is the fact that China is still in the primary stage of socialism, when the productive forces have not been fully developed. As an integrated whole, they can ensure the socialist orientation of reform and are conducive to the mobilization of all positive factors. They can give life and vitality to socioeconomic activities and can fully display the advantages of the socialist system. This is our party's new contribution to the theory of scientific socialism.

In the course of implementing, improving, and developing these three tasks of reform, the most important and most positive step is to consolidate, develop and strengthen the public economy, especially to invigorate large and medium enterprises under ownership by the whole people. Large and medium state enterprises are the pillars of China's socialist economy. Their success or failure is a matter of great concern to the whole party and nation. Since the implementation of the reform and

opening policy, a number of successfully run and economically viable state enterprises have been established in various localities and trades. Their vitality and viability demonstrate the advantages of the socialist system. Their common experience is to persist in the all-around implementation of the party's basic line. Enterprises are given the necessary management autonomy according to law. They have established an enterprise structure and operational mechanism suited to the integration of the planned economy and the use of market forces, and have done away with the practices of "everybody eating from the same big pot" and "the iron rice bowl" in an effort to display the advantages and eliminate the drawbacks. They dare to compete in international and domestic markets and do well in both. They pay attention to technological progress and make an effort to develop new technological processes, new technologies and new products. They value tangible results rather than undeserved reputation, attaching importance to the continuous improvement of scientific management and solid groundwork. They are also good at strengthening ideological and political work with specific problems in mind, wholeheartedly relying on the working class, strengthening party building, and bringing into play the exemplary vanguard role of party members. The higher authorities ought to attach importance to their successful experience and conscientiously sum up, publicize, and promote this experience in the light of the actual conditions in individual localities and enterprises.

3. Resist peaceful evolution in the course of reform and opening to the outside world.

Reform and opening to the outside world is a state policy stipulated in the PRC Constitution; it is also an important component of the party's basic line. The reform and open policy has struck deep roots in the motherland and in the hearts of hundreds of millions of people because it has increased the overall strength of our nation, benefited the masses and brought vitality to society and the economy. We should keep to the orientation of building socialism with Chinese characteristics and strive for greater success, vitality and viability in reform and opening to the outside world in order to fully display the advantages of the socialist system.

By opening to the outside world, we mean opening to the whole world. We have to deal with people from different systems and different classes. These people come from different quarters and represent different interests. Some of them desire friendly cooperation with China and want to help China modernize. Others have come to do business on the basis of mutual benefits. In addition to exchanges of a general nature, there is also a handful of people who hope to achieve their objective of peaceful evolution by perpetrating infiltration and subversion through economic, political, ideological, and other forms of exchanges. We must maintain sharp vigilance against such activities. We must make concrete analysis and correctly handle relationships in exchanges with other countries, dealing with each case on its own merits.

We persist in fighting bourgeois liberalization and opposing peaceful evolution perpetrated by foreign hostile forces not because we want to return to the former state of exclusionism. We just want our comrades to see with a clear head that in the international arena, there are indeed forces hostile to the socialist system. They have never given up their strategy of peaceful evolution against the PRC amid changes in the international situation. While we promote reform and opening up and persist in the self improvement of the socialist system, they do their utmost to change the course of our historical development in an attempt to bring our reform into the capitalist orbit. This struggle between "evolution" and "counter-evolution" is a struggle between two concepts of reform, a struggle between persisting in socialism and returning to capitalism. At the same time, it is also a struggle waged by a sovereign state against foreign intervention in an effort to protect its chosen political system, which is suited to its national conditions. We believe that the people of various countries who sincerely desire to develop ties of cooperation with China will respect the universally acknowledged principle of mutual nonintervention and support our stand.

Persisting in reform and opening up and persisting in fighting the plots of peaceful evolution are struggles we must simultaneously wage on two fronts. It is our principle to persist in grasping with both hands and being equally tough on both counts.

"Adhere to the Socialist Orientation in Reform and Opening to the Outside World" by Wu Shuqing, Chancellor of Beijing University

An important aspect of Comrade Jiang Zemin's speech is about the basic requirements for developing a socialist economy, political system, and culture with Chinese characteristics. These basic requirements clearly reflect the four cardinal principles on the one hand and embody the spirit of reform and opening to the outside world on the other. In studying Comrade Jiang Zemin's speech, we must strive to grasp and profoundly understand these basic requirements and correctly implement them in actual practice.

In order to realize the basic requirements for developing a socialist economy, political system and culture with Chinese characteristics, we must combine adherence to the four cardinal principles with perseverance in reform and opening up. Without reform and opening to the outside world, and without removing those aspects and links in the relations of production and the superstructure that are not suited to the development of the productive forces, the development of the productive forces will be hampered, making it impossible for us to fully and effectively display the advantages of the socialist system. In the current changing international situation, this will undermine our efforts to uphold and develop the socialist position and increase the rallying and centrifugal force of socialism among the masses. If we do not adhere to the socialist orientation in reform, we will end up following a road that goes against the

basic requirements for developing a socialist economy, political system, and culture with Chinese characteristics in the name of "reform and opening to the outside world." If we allow this to go on, all the achievements scored by the party and the people in the last 70 years will come to naught. I am not saying this to frighten members of the public. Neither is this a simple inference of logic. This is in fact a lesson we have learned from the mistakes of others. Thus, Comrade Jiang Zemin emphasized time and time again in his speech that we must distinguish between two fundamentally different concepts of reform and opening to the outside world and must adhere to the socialist orientation in reform and opening to the outside world.

In order to adhere to the socialist orientation in reform and opening up, we must take the public ownership of the means of production as the main form of ownership and allow and encourage the appropriate development of other economic sectors. Public ownership of the means of production is the economic foundation of socialism, the lifeblood of the working people. In our country, public ownership of the means of production is something conceived and developed to meet the requirements for large-scale socialized production. The development of public ownership is in keeping with the fundamental interests of the masses of working people. We carry out structural reform for the purpose of eliminating its drawbacks. We want to gradually improve this system and consolidate and strengthen its leading position, not to shake it. If public ownership of the means of production is shaken, the economic foundation of socialism will also be shaken, and there will be no socialism. However, we must also see that China is still in the primary stage of socialism. On the premise of taking public ownership as the main form of ownership, we must also allow and encourage the appropriate development of other economic sectors and elements as necessary supplements to the socialist public economy. Ours is a country with a huge population, where the development of the productive forces is uneven. The appropriate development of other economic sectors can help bring into play the initiative of all quarters in developing the productive forces, invigorating the economy and increasing job opportunities. As long as appropriate policies are adopted, there is nothing we need to worry about in this connection. However, we must strengthen management, give correct guidance, and work out the proportion and scope of development of various economic sectors in the national economy as a whole.

In order to adhere to the socialist orientation in reform, we must adhere to a system of distribution with "to each according to his work" as the main form, supplemented by other forms of distribution. Distribution according to work is a socialist principle of distribution; it is the form of realization for socialist public ownership. Only by adhering to distribution according to work, rewarding the diligent and punishing the lazy can we arouse the enthusiasm and creativity of the masses of workers in making contributions to socialism and promote the

development of the productive forces. Only in this way can we ensure that the masses of working people will take the road of common prosperity and prevent polarization. Some people capitalized on problems found in distribution according to work in their bid to negate the principle of to each according to work and replace it with "distribution of factors" and other principles. This is something we will never tolerate. If distribution according to work were negated, socialism would also be negated, and reform would certainly go astray. While adhering to distribution according to work as the main form of distribution, we must also allow the use of other forms of distribution as supplements. When other economic sectors are present, it is only natural that other forms of distribution should also be present. Other forms of distribution are also conducive to the development of the productive forces within given limits. They should not be rejected. Of course we cannot say that the greater their scope and the more thoroughly they are implemented, the better they can promote the development of the productive forces. Thus, we must emphasize the need to regulate excessively high income and emphasize the fact that our aim is to achieve common prosperity.

The history of China over the past 70 years proves that only by following the socialist road under the party's leadership will the country become strong, the nation become vitalized and the people become prosperous. Non-socialist factors can only serve as supplements to the Chinese economy. They cannot occupy the leading position. Otherwise, it will not be possible to vitalize China or achieve the four modernizations. It is precisely for the purpose of promoting the development of the productive forces that we really must stress the socialist orientation in reform and opening to the outside world.

**"Privatization Will Never Be Practiced in China" by
Jiang Xuemo, Professor of Fudan University**

Comrade Jiang Zemin pointed out in his 1 July speech: "We must distinguish between two fundamentally different concepts of reform and opening to the outside world, namely, the concept of reform and opening to the outside under the guidance of the four cardinal principles and the one advocated by exponents of bourgeois liberalization." If a country which has taken the socialist road does not adhere to the socialist orientation in reform, it will make the mistake of practicing privatization and the free market economy and the achievements scored by the party and the people in the last scores of years will come to naught. Thus, steadfast adherence to the socialist orientation in reform and opening up is a task of primary importance in our implementation of the general policy of reform and opening to the outside world.

The public ownership of the means of production is the economic foundation of China's socialist system. The socialist economic sector under ownership by all the people is the leading force in China's socialist construction, and modern large and medium industrial, communications and transport enterprises under ownership by

all the people are the material foundation of our socialist society. The privatization of state enterprises in our country will fundamentally destroy our socialist system and put to ruin all the achievements scored by the party and the people in the last 70 years. The people will definitely not allow such a historical retrogression to take place in our country. No matter how hard some people may advocate privatization with the backing of international hostile forces, they will never be able to find the necessary social force to translate into reality this plot which goes against the interests of the people.

As far as the masses are concerned, the two factors which affect their vital interests most are economic efficiency and social justice. Without the continuous improvement of economic efficiency, particularly an increase in macroeconomic efficiency, no matter how hard the masses try to make revolution, fighting the local tyrants and dividing the land, all they can do is to redistribute national wealth; they cannot improve the living standards and social security level of the working people in an overall and sustained way. Without a given measure of social justice, no matter how fast economic efficiency and GNP may grow, the additional social wealth will mainly go to the minority who are in a ruling position politically and in an exploitative position economically. The working people, who make up the overwhelming majority, can benefit very little from this wealth. Only when economic efficiency is steadily improving and there is social justice can we guarantee prosperity for the nation and bring sustained and maximum happiness to the working people.

What the masses of working people who lived in the abyss of misery in the semi-colonial and semi-feudal society before the founding of the PRC yearned for was precisely such a prosperous nation with economic efficiency as well as social justice.

What is the road to such a marvelous future? Of course the first step would be to change the semi-colonial and semi-feudal social system, overthrow imperialism, feudalism, and bureaucrat-capitalism, which weighed like mountains on the backs of the Chinese people, and win national independence. But what about the next step?

Some people held that since China had never gone through the capitalist stage, the Chinese people should take the capitalist road after casting off the yoke of the semi-colonial and semi-feudal society, thereby making up for the capitalist stage they had missed. Mao Zedong refuted this erroneous point of view. He made an incisive analysis of this issue in two of his works, namely, "The Chinese Revolution and the Chinese Communist Party" and "On New Democracy." He pointed out: Moving from the feudal society to the capitalist road "is the beaten track followed by the bourgeoisie of the West. However, China cannot do the same without the necessary international and domestic environment." (*Selected Works of Mao Zedong*, Second Edition, Vol 2, p 679) We Chinese people must first complete the new democratic revolution against imperialism and feudalism under the

leadership of the CPC and "be prepared to advance it to the stage of socialist revolution when all the necessary conditions are present." Only in this way can we embark on the broad road of prosperity for the nation and happiness for the people.

Modern history of the 40-plus years since World War II proves the complete correctness of this road which Mao Zedong had charted for the Chinese people.

Before World War II, colonial and semi-colonial countries accounted for 67 percent of the world's population and 46 percent of the world's total area. After the war, these countries won their national independence one after another. They have become the developing countries of Asia, Africa, and Latin America. The overwhelming majority of these developing countries have followed the footsteps of their former suzerain states and chosen the road of the private market economy.

However, when these countries began to develop the private market economy after the war, the world market had already been partitioned by the international monopoly capital of the developed capitalist countries. Lacking capital and technology, they can only produce agricultural, mining, and labor-intensive products, sell these primary products in a world market under the tight grip of the developed countries of the West at low monopoly prices fixed by the international monopoly capital, and buy the manufactured goods of the developed countries at high monopoly prices. Thus, they remain in a poor and weak position in the post-war world economic order with their heavy foreign debts and meager income. According to the World Bank's "1990 World Development Report," among the 42 low-income developing countries with populations of over 1 million people which supplied their statistical data to the Bank, the 34 poorest developing countries that practice the private market economy have a combined population of 1.65 billion (1988 figure). With the exception of Mozambique and Bhutan, which did not have comparable figures, the long-term foreign debts borne by the remaining 32 countries soared from \$18.661 billion in 1970 to \$210.849 billion in 1988, an increase of more than 10 times over 18 years. In 1988, the per-capita GNP of these 34 countries was \$294, a mere 1.68 percent of the per-capita figure of \$17,480 for the 24 high-income member nations of the Organization for Economic Cooperation and Development. In 1986, the per capita daily calorie intake was 2,226 calories for these countries, 66 percent of the 3,376 calories for member nations of the Organization for Economic Cooperation and Development. In 1988, their average life expectancy was 54 years, 22 years less than the average 76 years for member nations of the Organization for Economic Cooperation and Development; their infant mortality rate was 98 per 1,000, more than 10 times higher than the eight per 1,000 for member nations of the Organization for Economic Cooperation and Development. These figures show that the road of the private market economy is no good for the developing countries and cannot help them cast off poverty and backwardness. It

widens rather than narrows their economic and technological gap with the developed countries.

By contrast, the Chinese people who are following the socialist road have, under the leadership of the CPC and by relying on their own wisdom, resourcefulness, and hard work, put an end to the poverty and backwardness of old China after more than 40 years of independent and self-reliant economic construction. They have built up an independent and comprehensive industrial and economic system; mastered missiles, rockets, satellite recovery and other high technologies independently and with the initiative in their own hands; and achieved initial prosperity for the nation. As a developing socialist country, China's economic strength and living standards are a great improvement on old China. It is true that, in terms of per capita GNP, China is still listed by the World Bank as one of the 42 low income countries, but from the perspective of the people's nutrition level, the per capita daily calorie intake for the Chinese was 2,630 calories in 1986, 18 percent higher than the 2,226 calories for the 34 developing countries, and basically on a par with the average of 2,653 calories for the 121 countries listed by the World Bank in its statistics. In other words, China has already achieved a decent standard compared with the rest of the world. Seen from the life expectancy index which reflects people's material and spiritual life as well as employment, health service, pension and other facets of social security, the improvement made in the Chinese people's quality of life is even more conspicuous. Shortly after the founding of the PRC in 1949, the life expectancy of the Chinese people was only 34 years. In 1988, the average life span rose to 70, not only far exceeding the average of 54 years for the 34 low income developing countries, but also higher than the 65 years average for the 37 lower-middle income countries (regions) and the 68 years average for the 17 upper-middle income countries (regions), second only to the high income countries (regions) of Singapore (74 years) and Hong Kong (77 years) among the developing countries and regions of Asia.

Practice shows that we must adhere to the socialist orientation in reform, or else the achievements made will go down the drain. When a country which has embarked on the socialist road abandons the socialist public ownership system and practices privatization, the first problem it is likely to come across is a drastic increase in the number of unemployed. For a country like China which has a vast population, limited land, scanty resources per capita and a shortage of funds, this would have been an unbearable disaster. It was reckoned that should China decide to practice privatization, the private entrepreneurs would most certainly try to maximize their profits by increasing labor intensity, reducing the number of workers, and resorting to other means of sacrificing workers' interests. This would mean that 30 million of the 130 million urban workers would become jobless and one-third of the 600 million agricultural population would lose their land once again. The 230 million people who have lost their jobs and land would

want jobs and food to feed themselves, and if their legitimate demands were not met, there would be social unrest and turbulence. Meanwhile, once private ownership became the dominant economic sector, individualism, selfish departmentalism, localism, and nationalism which are associated with private ownership would most certainly spread in a malicious way and the whole society would fall apart. Should this happen, the masses would be the ones to suffer the most. Thus, our Chinese people must resolutely defend the four cardinal principles just as we protect our own lives, and must not allow our reform and opening to the outside world to be dragged away from the socialist track.

"Combine the Planned Economy With the Use of Market Forces and Improve Economic Performance" by Liu Suinian, Minister of Material Resources

Comrade Jiang Zemin's speech at the meeting marking the 70th anniversary of the founding of the CPC gave us a profound exposition of the orientation, principle and guiding ideology of combining the planned economy with the use of market forces. I have come to realize that in adhering to the principle of combining the planned economy with the use of market forces, it is important that we must rely on the planned economy to ensure macroeconomic balance and rely on market forces to invigorate the microeconomy so as to bring the national economy onto the track of improving economic performance and truly display the advantages of socialism.

Poor economic performance has been a longstanding problem in our socialist economic construction. Since implementing the reform and open policy, we have made some improvements, but the problem of poor economic performance has remained basically unresolved. We have indeed achieved remarkable successes in economic rectification and improvement over the past two years and longer, and the objectives of this exercise, such as curbing inflation, vigorously developing agriculture and consolidating the economic order, have been achieved ahead of schedule or are being achieved. However, economic performance in the realms of production, circulation, and construction has yet to see an obvious turn for the better. For one reason or another, economic performance has even seen a drop in certain localities and trades. Poor economic performance has become the most pressing problem to be tackled in the sustained, stable and coordinated development of the national economy. The party Central Committee and State Council have adopted a range of measures with this in mind. This year, they have even made an unequivocal call to launch the "Year of Quality, Variety, and Efficiency" activity across the nation, and stipulated 11 policies and measures for invigorating state enterprises. Economic performance can be improved if these policies and measures are implemented in real earnest.

As I see it, the fundamental solution of the problem of poor economic performance rests with further efforts to explore ways of combining the advantages and strong points of the planned economy and the market forces,

and adopting feasible policies and measures to improve economic performance. Our poor economic performance has a lot to do with the fact that the planned economy has not been combined with the proper use of market forces. For instance, elements of decentralization, arbitrariness, and blindness found in investment policy decisions have led to recurrent problems of excessive investment and repetitive construction. The industry mix thus formed tends to be homogeneous and miniaturized. A structure like this not only wastes investment but has no scale merit. Furthermore, because efforts have not been made to study and tackle problems of enterprise performance one by one and to adopt effective measures to push enterprises to the market, problems like "everybody eating from the same big pot," the "iron rice bowl," over-staffing and giving too much preference to individuals in the distribution of income are still serious. Externally, the environment of competition is far from fair. In particular, large and medium state enterprises cannot compete with individual and collective economies on an equal footing, and this has adversely affected efforts on the part of large and medium state enterprises to improve their economic performance. The improvement of economic performance is a project of systems engineering. The task of top priority now is to improve planning, promote structural readjustment, intensify market regulation and improve the performance of enterprises in accordance with the principle of combining the planned economy with the use of market forces.

On the question of promoting structural readjustment, we not only must not renounce the advantages of the planned economy but must give full scope to this advantages. This constitutes an important aspect of the concrete application of the principle of combining the planned economy with the use of market forces. It is also a yardstick for judging whether or not we have combined the advantages and strong points of the planned economy and the market forces. Of course, in order to fully display the advantages of the planned economy in structural readjustment, we must improve planning and adopt necessary administrative measures at the same time. In improving planning, the most important thing is that we must readjust the present industry and product mix according to the requirements of the industrial policy, and rationalize the pattern of investment by making investment plans more scientific. We are likely to encounter some very knotty problems in the readjustment of the production structure, such as the readjustment of vested interests and the realignment of personnel. Nonetheless, toward enterprises that have been producing unmarketable products of poor quality and have been running at a loss for some time, including enterprises that have not attained a suitable economic scale, we must make a determined effort to have them closed, suspended, amalgamated or switched to other lines of production, and bring about an optimum structure. If we allow them to continue their existence and even to develop in a blind way, we will be wasting not only manpower but also financial and material

resources. This will not do the country or the people any good. In the readjustment of the pattern of investment we should concentrate on overcoming the tendencies toward decentralization and homogeneity and speed up the development of the infrastructure and the raw material industries. A suitable measure of centralization is essential when deciding on the direction of investment and on key construction projects, and scientific assessment must be carried out on the technical and economic feasibility of the projects concerned in the light of macroeconomic requirements.

Following the gradual completion of the tasks of economic improvement and rectification, it is necessary to further intensify the reforms, quicken the pace of these reforms, make greater use of the role of market forces on two levels, namely, the external environment and the internal mechanism of enterprises, and truly push enterprises, particularly large and medium state enterprises, to the market, so that they can improve their economic performance under the pressure of market competition. While this calls for further efforts to change the internal operating mechanism of enterprises and to truly do away with the malpractices of "everybody eating from the same big pot" and the "iron rice bowl," the key still lies in creating the necessary conditions for enterprises to compete in the market on an equal footing. In this regard, the following problems demand our prompt solution. First, we must create the prerequisites for the normal operation of enterprises by continuing to maintain an overall macroeconomic balance and making sure that the industrial and scale structure of the newly-established enterprises are rational. Second, efforts must be made to reform the pricing system, speed up the transition from double-track pricing to single-track pricing, resolutely eliminate the phenomenon of having several price tags for the same product covered by the state plan, and give better scope to the positive role of market forces. Wherever possible, price restrictions should be lifted. We should not return to the old practice where all prices are fixed by the state in a unified manner. Third, we must give enterprises the right to manage their own affairs. Administrative departments should not interfere unnecessarily in the production, supply and marketing activities of enterprises. Fourth, we must earnestly address the problem of unfair competition between state enterprises, particularly large and medium state enterprises, on the one hand, and individual, collective and foreign-owned enterprises on the other. For instance, on account of policy preference, state enterprises are subject to stricter management and heavier burdens than individual economies and the like, which are loosely controlled and lightly taxed. Fifth, we must bring the role of market forces into play in fostering the superior and eliminating the inferior. On the basis of speeding up the reform of the social security system and forming a labor market, we should resolutely liquidate those enterprises which should be liquidated, thereby making the circulation of various production factors of enterprises, particularly labor, possible.

**"Administer the Party Strictly, Combat Corruption" by
Chen Zuolin, Deputy Secretary of the Discipline
Inspection Commission of the CPC Central Committee**

Administering the party strictly and combating corruption are the key to preventing and fighting peaceful evolution. Comrade Chen Yun profoundly pointed out as early as 1980 that the "question of the work style of the party in power is a question pertaining to the life and death of the party." After summing up the lessons of the turmoil and the counterrevolutionary rebellion which took place in Beijing in 1989, Comrade Deng Xiaoping warned the whole party that "unless efforts are made to combat corruption, particularly corruption within the party, we will indeed be in danger of being defeated." Comrade Jiang Zemin also incisively pointed out in his speech marking the 70th anniversary of the founding of the CPC: "The party's survival hinges on its conduct. If these decadent phenomena are allowed to continue, the party will be doomed to self-destruction." Hence, in order to improve the party's conduct, we must administer the party strictly and combat corruption. This is not only a matter upon which the party's survival hinges; it also has a vital bearing on the prosperity of the nation and the success of socialism.

Corruption is the source of all social unrest. Corrupt phenomena are tumors in the organism of the party; they are also places where hostile international forces make the breakthrough in their attempts at peaceful evolution. "A thing has to rot first before maggots start to grow." A fortress is most vulnerable when attacked from within. We must be soberly aware of the close ties between corrupt phenomena on the one hand and peaceful evolution and bourgeois liberalization perpetrated by hostile forces on the other. Peaceful evolution and bourgeois liberalization tend to make people muddle-headed and shake their beliefs, thereby creating the ideological environment for the breeding of corruption. The breeding and spread of corrupt phenomena caused a handful of people to depart from the party either wittingly or unwittingly and become blind sympathizers and worshippers of bourgeois liberalization. The mass influence of bourgeois liberalization thus spread and became a grossly destructive trend of thought in society. Under the signboard of "fighting corruption," hostile forces at home and abroad stepped up their anticommunist and antisocialist activities and incited mass antagonism, even turmoil, against the party. In the past, some of our comrades might not feel quite as keenly the pressing need for combating corruption, but after seeing the drastic changes which occurred in some countries and the turmoil and the counterrevolutionary rebellion which took place in Beijing in late spring 1989, they have gained sufficient warning and understanding. Actual struggle also shows that more than ever before, communists are required to administer the party strictly and combat corruption. As the ruling party of a socialist state, we must adhere to the principle of strictly administering the party, resolutely and persistently grasp the building of a good party style and a clean and honest

government, and resolutely eliminate corrupt phenomena in an effort to win popular support and consolidate the mass basis of the party and the socialist system.

In order to administer the party strictly and combat corruption, it is necessary to observe strict party discipline. Observing strict party discipline is the essential requirement for administering the party strictly; it is also an important condition for ensuring that our party and state will never change color. Lenin once pointed out that the ultra-strict discipline of the proletariat was one of the basic conditions for triumph over the bourgeoisie. In the struggle to combat corruption, we need party discipline as guarantee. Only by observing strict party discipline can we guarantee a high degree of ideological and political unity as well as organizational consolidation for the whole party. We must adhere to the principle of everyone being equal before discipline. We cannot tolerate the presence of special party members who do not have to keep themselves within the bounds of discipline. Anyone who violates discipline will be dealt with, and discipline will be strictly enforced. This is an unshakable principle in the strict enforcement of discipline. We must resolutely make a clean sweep of those who stubbornly engaged in bourgeois liberalization and practiced corruption, however high their position. In calling for the strict observation of party discipline, we must start from leading cadres. This requirement is determined by their position, the tasks they shoulder and the role they play. From an analysis of discipline violations investigated and dealt with by discipline inspection departments in the whole country, we have discovered the following noteworthy tendency: The number of leading cadres punished is on the rise, the level of units committing such offenses is becoming higher and higher. This is a worrisome sign, because leading cadres should set an example for party members and the masses, and when they violate the law and discipline, they produce greater negative effects than do ordinary party members. Thus, comrades of the whole party, primarily party committees at various levels and their leading comrades, must proceed from the need of maintaining closer ties with the masses, stand on the strategic high plane of counter-peaceful evolution, resolutely defend the dignity of party discipline, and vigorously grasp the investigation and handling of major cases. Only in this way can we do a good job in combating corruption and thoroughly smash the schemes and intrigues devised by hostile international forces in their attempts at peaceful evolution.

In order to administer the party strictly and combat corruption, we must improve the relevant systems. Comrade Jiang Zemin pointed out in his 1 July speech: "We must become attuned to the soul-stirring, bitter struggles that have been going on in recent years both at home and abroad, administer the party strictly, establish a complete set of systems to resist corruption and degeneration and adopt effective measures to have stricter supervision within the party and stricter supervision by the masses, so that a relentless struggle can be waged against all

negative and decadent phenomena." A set of perfect systems within the party is the regulator of inner-party relations, the corrector of party members' conduct, and an effective dose of preservative. The improvement of a set of systems for resisting corruption and degeneration within the party is a formidable task involving many aspects, but the core of this task is the improvement of democratic centralism and the relevant supporting systems. The drastic changes that have taken place in some countries have taught us a lesson. They remind us that the party will be in danger of evolution by the enemy if it does not uphold and improve democratic centralism. We must improve the system of inner-party supervision and supervision by the masses, and prevent a handful of people from abusing the power vested in them by the party and the people. Discipline inspection personnel at various levels must urge themselves on with a strong sense of political responsibility, uphold their principle, dare to and be good at struggle, and resolutely play their role as staunch defenders of the party.

We believe that as long as we adhere to the principle of administering the party strictly, do a good job of building up the party, purify the party ranks, correct the work style of the party and use this to consolidate the party's flesh-and-blood ties with the masses, consciously resist the corrosive influence of all non-proletarian ideas, and build a wall of steel against peaceful evolution, our party will always remain invincible in the struggle against peaceful evolution.

"Train and Bring Up Millions Upon Millions of Successors to the Socialist Cause" by Zeng Zhi, Member of the CPC Central Advisory Commission

Based on the historical experience of our party and proceeding from the new situation at home and abroad, Comrade Jiang Zemin emphatically pointed out in his speech at a meeting marking the 70th anniversary of the founding of the CPC that "we must train and bring up millions upon millions of successors to the socialist cause." He put forward this extremely important strategic task to the whole party along with the basic requirements for building a socialist economy, political system, and culture with Chinese characteristics. The training and upbringing of millions upon millions of successors to the socialist cause is a major issue with a vital bearing on the prospects of the socialist cause in China, as well as the future and destiny of our party and state. It is also a pressing problem demanding urgent solution. Comrades of the whole party must, with a strong sense of responsibility for the party's cause and the destiny of the socialist cause in China, attach great importance to, and do a good job in, the training of successors.

Our party has all along attached great importance to the training of successors. Comrade Mao Zedong once compared the younger generation to the sun at eight or nine in the morning. He hoped that they would develop morally, intellectually and physically and succeed the socialist cause. In the new historical period, Comrade Deng Xiaoping unequivocally pointed out the basic

criteria and requirements for successors to the revolutionary cause of the proletariat, that is, they must be better educated and self-disciplined new people with high ideals and moral integrity. Specifically, having high ideals means assiduously studying Marxism-Leninism-Mao Zedong Thought, firmly embracing the socialist belief and communist ideal, resolutely implementing the party's basic line of "one focus and two basic points," and staunchly opposing bourgeois liberalization and peaceful evolution. Having moral integrity means wholeheartedly serving the people, maintaining close ties with the people, being democratic in one's style of work, honestly performing one's official duties, and showing concern for and defending the interests of the state, the collective, and the masses. Being better educated means mastering cultural and scientific knowledge, enhancing one's understanding of theory and policy, and acquiring working ability. Being self-disciplined means abiding by party discipline, state law and all relevant regulations and systems.

The training and upbringing of millions upon millions of successors to the socialist cause is a long-term and formidable strategic task. This requires that we must have the future and the younger generation in mind. On the whole, our younger generation has hope and promise. However, we must also be aware that due to the influence of bourgeois liberalization and the fact that education has been an area where the biggest mistakes were made in the last decade, particularly due to the slackening of ideological and political education in recent years, some of our young people have become confused and led a life devoid of meaning. They have a confidence crisis, having lost faith in socialism and communism. This is an exceedingly serious problem which deserves great attention. Training and educating the younger generation is the joint responsibility of the party and the whole society. While caring for and cherishing the young people, we must be strict with them and strengthen education and guidance over them. The struggle between the proletariat and the bourgeoisie and between socialism and capitalism to win over the younger generation is very intense. On no account must we lower our guard. We must positively mobilize all forces in society, show concern for the healthy growth of the younger generation politically and ideologically, and conduct ideological and political education among them with specific objectives in mind. At present, we must make a special effort to strengthen education in the following four areas: First, we must strengthen education in China's basic national conditions and in contemporary and modern history, particularly the history of the Chinese revolution, so that the younger generation can have a better understanding of their motherland, both in the past and at present, and enhance their national self-esteem and confidence. Second, we must strengthen education in the basic theories of Marxism and in the party's basic line so that the younger generation will accept and have faith in Marxism and consciously support and implement the party's basic line. Third, we must strengthen ideological and moral education so that

the younger generation will embrace a correct outlook on life as well as a correct world outlook, sense of value and moral concept, and consciously resist bourgeois liberalization and the corrosion and influence of decadent capitalist ideas. Fourth, we must strengthen education in revolutionary traditions so that the younger generation will inherit and carry forward the party's fine traditions and work style, and contribute their share toward building socialism with Chinese characteristics.

In order to train and bring up millions upon millions of reliable successors to the socialist cause, we must do a good job of testing and understanding our cadres. Of course it is mainly through the practice of revolution and construction that we train, select and bring up successors, but it is through tests of various forms that we can find out the effects of tempering through practice as well as the political and vocational qualities of cadres. We must be adept at applying the dialectical and historical point of view as well as the epistemological approach of Marxism-Leninism-Mao Zedong Thought in observing and studying our cadres in an all-around, objective, and impartial way. We must have the courage to speak out and make criticism with a sense of justice, instead of indulging in flattery, concealing faults and glossing over wrongs. We must conscientiously follow the mass line with affection, compassion and faith, and heed the opinions of the masses, instead of having preconceived ideas and heeding and trusting only one side. We must make concrete analysis of concrete problems and seek truth from facts. We must distinguish between the essence and the appearance and between the key points and minor issues. Toward minor issues and problems of a general nature, we must not let them drag on and refuse to let go, let alone raise them to the level of principle and line. We must have faith in cadres under observation and must not burden these people with worries, as this will affect their mood and hinder their work. If our observation and study cause cadres to have doubts and misgivings, lose faith, and become apprehensive in work, not daring to show their pioneering and innovative spirit, we will not only fail to achieve the purpose of observation but will accomplish the opposite result. In short, the observation and study of cadres is an important task that takes a lot of learning, because it has a direct bearing on the quality of the millions upon millions of successors as well as the quality of our cadres and leading groups. It is a question worth looking into further.

"Doing a Better Job in Building Up the Party Is the Fundamental Guarantee for Socialism to Remain Invincible" by Wang Guang, Deputy Secretary of Beijing Municipal CPC Committee

Comrade Jiang Zemin pointed out in his speech at a meeting marking the 70th anniversary of the CPC that "the key to building socialism with Chinese characteristics is to strengthen and improve the leadership of the Communist Party." At the same time, he also pointed out that in the face of the stringent tests of holding power, carrying out reform, opening to the outside world and fighting peaceful evolution, "we must intensify all

aspects of work for the building up of the party in accordance with the party's political line and political tasks." Concentrating our attention on building up the party and constantly striving to increase the party's fighting capacity and rallying force is by no means an ordinary task of little consequence. Rather, it is the fundamental guarantee for socialism to remain invincible.

The CPC is a great, glorious and correct party, a party toughened and hardened into steel through hardships. An important experience gained from the course of struggle over the past 70 years is that as long as our party follows a correct line and has a strong leadership, and as long as its ranks are consolidated and united, intimately and closely bound up with the masses, no enemy can overwhelm us; it is we who always overwhelmed them. Today, the great practice of reform, opening to the outside world and socialist modernization have presented us with a host of new difficulties, contradictions and problems which demand prompt solution. Resorting to peaceful evolution, hostile forces at home and abroad are closing in on us. The international communist movement has been suffering serious setbacks, and the socialist cause is at low ebb. In the face of this grim situation and actual danger, a most important task confronting we communists is that we must redouble our efforts and build up the party with a cool head and a dauntless spirit. External factors assert themselves through internal factors. As long as our party is well consolidated, is combat effective, and has not made serious mistakes or encountered serious troubles, no hostile force outside can shake our foundation in the slightest. After tiding over the hardships and setbacks, the just cause of socialism and communism will ultimately triumph.

In order to strengthen party building under new historical conditions, we must attach priority to the building up of the party politically and ideologically. We must unswervingly use the party's basic line at the present stage to unify the will of the whole party, and make a clean break with all opportunistic trends of thought. We are against political platforms that advertise pluralism on the political level, privatization on the economic level, and liberalization on the ideological level. Instead, we unequivocally declare that no one is allowed to change the party's nature as the vanguard of the working class, shake the party's ruling position, weaken the functions of the dictatorship of the proletariat, or negate the position of Marxism-Leninism-Mao Zedong Thought as the theoretical foundation of the party's guiding ideology. We must, through regular and convincing theoretical and ideological education, help the party ranks, particularly party cadres at various levels, constantly overcome non-proletarian ideas, and firmly embrace the communist world outlook. We must firmly bear in mind the aim of wholeheartedly serving the people, strengthen our faith in socialism and the communist ideal, increase our ability to resist the corrosion of erroneous trends of thought, and build in our minds a

great wall of steel against attempts at peaceful evolution perpetrated by hostile forces at home and abroad. Provided that we continuously enhance the proletarian party spirit of the party ranks and continuously improve the awareness and ability of the whole party as a ruling party, we will be able to guarantee the party's ideological unity and political stability, and thereby continuously increase the party's fighting capacity.

In order to strengthen party building in a complicated international and domestic situation, we must see to it that leadership at all levels is entrenched in the hands of those who are loyal to Marxism. We must firmly bear in mind the following remark made by an adversary of ours: "Fostering an agent within the Communist Party is more useful than dispatching an army several hundred thousand strong." In the testing and selection of cadres, we must attach equal importance to ability and moral integrity. We must pay attention to their political stand, inclination and performance. On no account must we stress ability at the expense of moral integrity or examine one's words without watching his deeds. We must especially watch out for people who take a skeptical or negative attitude toward Marxism, people who passively resist our endeavors to fight bourgeois liberalization, people who adopt a wait-and-see attitude toward the fight against peaceful evolution, people who assume an ambiguous attitude on major political issues, and people who bend with the wind at critical junctures, as well as people who fail to see the direction in construction and reform and who capitalize on the situation and abuse their power for personal gains. We must not be duped by their fine words, mistake them for "outstanding elements," and recruit them into leading bodies or vital departments. We must, through deep-going Marxist education, tempering through arduous struggle and practice, and meticulous organizational cultivation and observation, strive to bring up and select a large number of reliable successors who can stride into the next century. This is a major issue that determines the destiny of the party, the future of the country and the success of the socialist cause.

In order to strengthen party building in the face of severe tests, we must attach special importance to the struggle against corruption and degeneration. "A thing has to rot first before maggots begin to grow." Corrupt phenomena which exist within the party and in society are the hotbed for the birth of political dissidents. They give hostile forces excuses to attack the party and represent an expression of peaceful evolution. We must make sure that the overwhelming majority of our party members and cadres are clean and honest officials who serve the people conscientiously before we can boldly raise anti-corruption slogans and wage a struggle against corruption. However, we must not lower our guard and be lenient toward the corrupt deeds perpetrated by a handful of people, or the danger posed by the spread of these corrupt phenomena. We must conduct deep-going education on resisting corruption and degeneration among party members, resolutely rectify unhealthy practices within the party and in individual trades, punish

corrupt elements who are guilty of graft and embezzlement and who offer and take bribes without showing them any leniency, and carry on the fight against corruption as a protracted struggle while developing the commodity economy.

We believe that as long as we build up the party well in accordance with Comrade Jiang Zemin's July 1 speech and commit ourselves to arduous tempering and hard work, we will definitely be able to accomplish the important tasks entrusted us by the people and continuously advance the cause of socialism in China.

"Fully Exploit the Role of Science and Technology" by Zhou Guangzhao, President of the Chinese Academy of Sciences

In his speech at the meeting marking the 70th anniversary of the founding of the CPC, Comrade Jiang Zemin put the modernization of science and technology in a very important position. He emphatically pointed out: "It is important for us to be fully aware that science and technology are part of the primary productive forces, a great force propelling economic and social development. We must fully exploit the role of science and technology, respect knowledge and talent and conscientiously turn to scientific and technical progress and enhancement of the quality of the work force for economic growth. We should take effective measures to transfer scientific advancements into actual productive forces. All comrades of the party must acquire a better understanding of this great strategic task and work hard to accomplish it." After studying this programmatic document over and over again, the ranks of scientific and technical personnel are greatly inspired. Deeply aware of their heavy responsibility, they are determined to contribute their all to the important strategic task of modernizing China's science and technology.

Science and technology are productive forces. This is a basic viewpoint of Marxism. In 1988, after summing up the new trend and new experience of economic development in the contemporary world, Comrade Deng Xiaoping unequivocally drew the Marxist conclusion that "science and technology are productive forces; what is more, they are part of the primary productive forces." This conclusion, which has enriched and developed the teachings of Marxism on science and technology and on the productive forces, has important and far-reaching significance in China's socialist modernization. It has been proved by numerous facts that the rapid development of science and technology in this modern age is having a more and more profound impact on the economic and social development of the world. In the development of modern economy, science and technology have become the primary decisive factor. This is partly due to the fact that production techniques are developing by leaps and bounds; it also has a lot to do with scientific organization and management. The development of science and technology has also greatly extended the ties between man and nature. It has greatly

enhanced people's understanding and ability to transform and protect nature, better enabling them to make more effective use of resources and energy, control population, and improve and protect the environment. In order to modernize our national economy and reach, even surpass, the labor productivity of the developed countries, we must achieve the modernization of science and technology. This is the key to the fulfillment of the Eighth Five-Year Plan and the Ten-Year Program; it is also an important guarantee for building socialism with Chinese characteristics.

From practice, we have come to realize that science and technology will develop vigorously when the guiding ideology and principle of the party and government on developing science and technology are resolutely implemented. In recent years, the Chinese Academy of Sciences has been persistently channeling its main energies to the main battlefield of economic construction in deepening the reform of the scientific and technological system. The results have been very gratifying. While strengthening basic research, we have, through such means as technological transfer, cooperation with the local authorities and enterprises, and the establishment of hi-tech companies, made many scientific and technological achievements that are of great practical value and are up to advanced world standards, and have accelerated their transfer into actual productive forces. For instance, the gas separation technology developed by the Dalian Institute of Chemical Physics, the new thermal material developed by the Qinghua Company under the Shanghai Silicate Institute, and the microcomputers developed by the Lianliang Company under the Beijing Computer Institute have gained a competitive edge in domestic and overseas markets because of their high technical standards and good performance. Nonetheless, when measured against the criteria stipulated in the "Speech," that is, the need to "fully exploit" the role of science and technology and "conscientiously" turn to scientific and technological progress, they are still wide of the mark. As far as the whole country is concerned, a lot remains to be done if these two criteria are to be achieved. We need to make strenuous efforts in terms of publicity, structural reform, policy improvements, increasing investment, training talents, and so on.

I believe that in order to speed up scientific and technical progress, we must concentrate on the following three areas: First, we must train and bring up a contingent of specialized personnel who are dedicated to the cause of science and technology in China. Second, we must further foster in the whole society the good habit of respecting knowledge and talent and create a fine environment that is conducive to the growth of talents. People must be made to understand that scientific research is a very complicated and arduous kind of labor which calls for thinking and innovation. The transfer of scientific achievements into actual productive forces takes time and needs to go through a series of complicated processes involving repeated technical improvements from laboratory production to batch production, establishing contacts with factories, consumers and the market, and so

on. Thus, it is essential that an environment where the whole society understands and supports the cause of science and technology, studies science, and uses science be fostered. Third, we must establish a mechanism that promotes the rational flow of talent. Scientific and technological personnel can go and work in enterprises. Some technologies, particularly newly developed technologies, cannot be readily separated from the personnel who mastered them. And their role will be affected if they are separated from these personnel. The only way to speed up the transfer of scientific achievements and increase their benefits is for scientific and technological personnel to start new industries with their technical know-how. Scientific and technological personnel working in enterprises may also go back to work in scientific research institutions. They may engage in new scientific research with problems which demand prompt solution in actual production and with information on market demand. Only when a benign cycle of the circulation of funds, information, achievements and manpower has been established will it be possible for scientific research to directly cater to the needs of the main battlefield and better serve economic and social development. In addition, we must also devote greater attention to basic research, publicize the scientific spirit, scientific methods, and the scientific approach, and fully exploit the positive role of science and technology in the development of socialist culture and ideology. This is of enormous significance in improving the scientific and cultural standards and ideological and moral qualities of the whole nation, enabling China to contribute its share toward the development of science on a global scale. This is also necessary for the development of socialist modernization as a whole.

"Build a Wall of Steel Against Peaceful Evolution" by Zhao Xin, Vice Chairman of the Standing Committee of the China Playwrights Association

At a time when the international situation is undergoing drastic changes, hostile forces in the West are wantonly pursuing their schemes of "peaceful evolution" and succeeding in their attempts, and the communist movement is confronted with an unprecedentedly grim challenge on a global scale, the success or failure of China's socialist system will have an enormous impact on the future of the international communist movement as a whole. Against this backdrop, Comrade Jiang Zemin's 1 July speech represented a clarion Marxist call on behalf of the CPC and the Chinese people. He pointed out in the "Speech" that the noble mission placed on us, contemporary Communists, by history and our times is to strive to build socialism with Chinese characteristics. And building a socialist culture (including literature and art) with Chinese characteristics is a component part of this noble mission.

Literature and art belong to the realm of ideology. "The ideological sphere is a major arena of struggle between people trying to effect peaceful evolution and people working against it." If socialist ideology does not prevail on the literary and art front, capitalist ideology will. We must consciously understand our great responsibility at this juncture of history. All literary and art workers must rouse themselves to plunge into this great struggle. We

must first of all whip up a mass fervor for the study of the "Speech"; unify our understanding and action in the spirit of the "Speech"; strengthen the unity and fighting capacity of our ranks on the basis of ideas put forward in the "Speech"; take effective measures to implement, in various aspects of literary and art work, the requirements set forth in the "Speech" for building a socialist culture with Chinese characteristics; and uphold the socialist banner in the course of struggle.

As we are now carrying out such an arduous, complicated and great struggle, we cannot do without the party's staunch leadership. Do literature and art need the party's leadership? The answer is by no means unanimous in the literary and art circles. When bourgeois liberalization was running rampant, some people advocated "playing down" the party's leadership, thinking that the party's leadership hampered the development of literature and art and restricted the freedom of writers and artists. Individual leaders within the party also talked about "less control, less intervention and less involvement" in literature and art, giving up the party's leadership over literature and art of their own accord. This led to ideological confusion in the literary and art circles. Under the principle of "grasping rectification on the one hand and prosperity on the other," many literary and art departments began to flourish, and popular works that promoted the spirit of the socialist age came out one after another. Why? Because the party has strengthened its leadership. The party's leadership is the key to the success of socialist literature and art. This has been proved by numerous facts.

Of course, the party's leadership still needs to be improved. There is no denying that we have made "Left" and Right deviations and mistakes when implementing the party's principles and policies toward literature and art. In the future, we must continue to adhere to the party's correct principles and policies in the struggle between the two fronts in order that socialist literature and art with Chinese characteristics can develop and flourish in practice.

The "Speech" pointed out: "In building a socialist culture with Chinese characteristics, it is essential to use Marxism-Leninism and Mao Zedong Thought as a guide; pluralism should never be accepted as a guiding ideology." We must be very clear-cut in our attitude. On no account must we be muddle-headed about this, or waver in our belief. Otherwise, our socialist literature and art will change their nature and lose their orientation. Whether we are carrying on our literary and art traditions, making explorations and innovations in our artistic pursuit or drawing on the experience of foreign literature and art, we should submit to this guiding ideology. Thus, it is the noble mission of contemporary writers and artists to study and grasp Marxism-Leninism and Mao Zedong Thought, embrace the lofty communist ideal, world outlook and outlook on life, draw creative nourishment from the masses, and use their own literary and art works to affect and inspire the masses in order to bring up a new generation who can measure up to the tasks of socialist modernization.

Pluralism in guiding ideology will not affect the principle of "letting a hundred flowers blossom and a hundred schools of thought contend" in literary and art creation and discussions. While adhering to the orientation of serving the people and socialism and the "double hundred policy," we must strive to promote the combination of the main theme with pluralism, create a lively situation of bold explorations and innovations, and see to it that literary and art creations can satisfy the varied, rich and healthy spiritual demands at different levels. We must not return to the "internal cosmos" of the artist, return to aesthetics, or return to "primitive instincts" for that matter. In short, while advocating the need to reflect the main theme of the spirit of the socialist age, we must also promote the coexistence and development of literary and art works of different styles, forms and schools so that socialist literature and art will truly flourish.

Since our socialist literature and art have Chinese characteristics, they should not neglect the need to inherit and carry forward the fine literary and art traditions of our nation and should strive to adhere to the principle of weeding through the old to bring forth the new while reflecting the living reality. Traditional literature and art (including the huge stock of folk literature and art) are the crystallization of the age-old history and fine culture of the Chinese nation. We must take this fine traditional literature and art as our precious wealth when creating socialist literature and art with Chinese characteristics. We must oppose national nihilism, historical nihilism and the erroneous idea of total Westernization. We must make positive efforts to absorb all outstanding culture and fruits of literature and art created by mankind, and fuse them with the development of socialist literature and art with Chinese characteristics.

The creation of socialist literature and art with Chinese characteristics is a project of systems engineering. We should make unified arrangements for this in terms of guiding ideology, principles and policies, the cultivation of personnel, and long-term planning and specific measures. This not only represents an important aspect of our cultural development, but constitutes a major component part of efforts to promote socialist ideological and cultural progress. It also forms an important part of our strategy against peaceful evolution in the ideological sphere. Under the leadership of the party, writers and artists should galvanize themselves, actively take part in this struggle of great historical significance, and turn the literary and art front into a wall of steel against peaceful evolution.

NPC's Wan Li Urges Xiamen To Open Wider

*OW2011142191 Beijing XINHUA in English
1358 GMT 20 Nov 91*

[Text] Xiamen, November 20 (XINHUA)—Wan Li, chairman of the Standing Committee of the National People's Congress [NPC], recently urged the Xiamen Special Economic Zone (SEZ) in east China's Fujian

Province to continue focusing its attention on economic construction, further emancipate thinking and open wider to the outside world.

Wan visited Xiamen between November 18-20. He was accompanied by Chen Guangyi, secretary of the Fujian provincial party committee, and Shi Zhaobin, secretary of the Xiamen municipal party committee.

During his visit to Xiamen, one of the five special economic zones in China, Wan expressed great interest in the construction of the zone's infrastructure and in city planning.

Since China pursued the policy of opening to the outside world in the late 1970s, the gross domestic product and income of Fujian, as well as the social output value, financial revenue and foreign trade export volume have doubled—some three years ahead of targeted dates.

The export-oriented economy of the Xiamen SEZ, which is known as an open "window," has developed rapidly. The zone now has some 489 Taiwanese funded enterprises which account for over 42 percent of the total foreign investment.

Wan expressed hope that Xiamen will achieve even greater success in all fields and take full advantage of its geography, its position as the ancestral home of Overseas Chinese, the hardworking spirit of its citizens and the preferential policies granted by the state.

Planning Official Charged With Corruption

*OW2011132491 Beijing XINHUA Domestic Service
in Chinese 0850 GMT 20 Nov 91*

[Text] Beijing, 20 Nov (XINHUA)—Filed and investigated by the Supreme People's Procuratorate, the corruption case involving Wang Xiuying (female, 55), deputy director of the Production Controls Bureau of the State Planning Commission, was heard by the Beijing People's Procuratorate recently.

The charge instituted by the procuratorial organ accused Wang Xiuying of demanding \$15,000 (equivalent to 90,000 yuan) from a certain unit in July 1988—to be used for her son's education and other expenses while studying in Britain—after she successfully helped the unit obtain a \$7.5 million quota to deal with foreign firms in June 1988, by using her professional standing as the then chief economist of the State Economic and Technological Coordination Bureau of the State Economic Commission. The procuratorial organ has now recovered all the money from Wang Xiuying.

It has been learned that the State Planning Commission recently decided to remove her as deputy director of the Production Controls Bureau.

Economic & Agricultural

LIAOWANG Discusses Economic Reform

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[Article by Gao Shangquan, vice minister of the State Commission for Restructuring the Economy: "Review and Prospects of China's Economic Reform"—first paragraph is editor's note]

[Text] A study and discussion course, "Science and Technology Are the First Productive Force," jointly run by this journal and the State Science and Technology Commission for leading cadres at the prefectural and city levels was held in Beijing 14-20 September. Leaders and well-known experts and scholars, including Fei Xiaotong, vice chairman of the National People's Congress [NPC] Standing Committee; Zhou Guangzhao, president of the Chinese Academy of Sciences; Gao Shangquan, vice minister of the State Commission for Restructuring Economy; and Hui Yongzheng, vice minister of the State Science and Technology Commission, gave study sessions and lectures on such issues as the new tendency of international scientific and technological development, the role of scientific and technological progress in promoting social and economic development, and judging the development of high science and technology in the Gulf war, centered on the maxim that "science and technology are the first productive force," and its great significance. They all presented incisive views. This journal will successively publish the gist of their lectures from this issue to offer to the readers.

China's reform of the economic structure has ushered in the 13th year and is roughly divided into three stages: from the Third Plenary Session of the 10th CPC Central Committee in December 1978 to the Third Plenary Session of the 12th CPC Central Committee in October 1984 was an initial stage, and the key point of reform focused on rural areas; from October 1984 to the Third Plenary Session of the 13th CPC Central Committee in September 1988 was a stage at which reform was carried out in an overall way, and the key point of reform focused on urban areas; from September 1988 to the present has been a stage of readjustment and deepening reform, and the key point is to further improve the reform measures that have already been formulated and to make solid preparations for further deepening reform.

(I) Achievements in rural reform attract people's attention.

In China's reform of the economic structure, reform in rural areas was mainly carried out in four aspects: 1) The people's commune system was abolished, rural political power organizations were resumed, and the contract responsibility system on a household basis with remuneration linked to output was implemented; 2) the policy of state monopoly for the purchase and marketing of agricultural and sideline products was abolished and a new policy of orders for contracting agricultural and

sideline products under the state plan was pursued; 3) control over the prices of some agricultural and sideline products was lifted, the scope of prices made by the state was reduced, and the variety of products regulated by the market was expanded; and 4) the rural areas were encouraged to develop township and town (village) enterprises, including industry, commerce, building industry, and transportation and the development of the rural commodity economy was promoted.

Reform has brought about profound changes in China's rural areas. 1) Rural development has been accelerated, and the average annual increase in China's agricultural output value has gone up from 2.7 percent before reform to 6 percent after reform. 2) The rural unitary economic system has been broken; diversification has been developed; and the commodity rate of agricultural and sideline products has risen from 40 percent in the initial period of reform to approximately 60 percent at present. 3) Peasants' income has increased, and their livelihood has improved. The annual peasant per capita net income increased from 134 yuan in 1987 to 630 yuan in 1990 and, allowing for price rises, the average annual increase was 11 percent. The number of poor rural people has dropped by a wide margin. And, 4) the commodity economy has developed and the process of turning rural areas into cities has been accelerated. The number of China's cities increased from 192 in 1919 to 450 in 1990, the majority of which developed from county towns, townships, and towns to medium and small cities.

Urban reform was gradually carried out in a comprehensive manner.

Enterprises' decisionmaking power has been enlarged, and their vitality has been strengthened. These results were achieved through many forms of the profits retention system—a system whereby enterprises are responsible for their own profits and losses—and the contract responsibility system. In addition, all places also encouraged enterprises to organize and set up groups of enterprises, to promote amalgamation of enterprises, to readjust the structure of enterprises, and to bring about reasonable allocation of resources through lateral ties. Through reform, enterprises' competitive power, self-transformation, and self-development ability have been greatly enhanced.

The circulation structure was reformed. The main measures for reform were based on giving free reign to the roles of the main commercial channels of the state-owned commercial enterprises and supply and marketing cooperatives. Thus, a set of commercial operation and management structures with the coexistence of many kinds of economic sectors, many forms of operation, and many circulation channels and with a reduction in circulation links was gradually set up; the means of production were gradually made to enter market competition according to the principle of equal exchange; and a material circulation structure which combined state planned regulation and control with market regulation was set up.

—**The macroeconomic regulation and control structure was reformed, and the government economic management function changed.** In reforming the macroeconomic structure, the economic structure under central, highly-centralized, direct regulation and control and with administrative measures as its main aspect gradually changed to the economic structure under central and local separate and indirect regulation and control and with the combination of economic and legal measures and necessary administrative measures.

—**International economic and technological cooperation was actively implemented, and the process of opening to the outside world was expanded.** According to statistics, by the end of 1990, the accumulated total of foreign directly invested projects was 29,000, and the amount of foreign capital actually utilized was \$46.09 billion, of which \$30 billion was foreign loans and \$14.17 billion was genuine direct external investments. While absorbing and utilizing foreign capital, China also began leaving its own shores to run enterprises abroad. According to the statistics compiled in October 1990, China had set up 764 enterprises in approximately 90 countries and regions and had invested \$2.33 billion by agreement. Opening up to the outside world has promoted the development of foreign trade. Before reform, China's exports recorded an average annual increase of 10.2 percent, and its imports an average annual increase of 9.8 percent. Since reform, exports have, on average, increased 16.7 percent per year and imports 14.2 percent.

In the course of reform, in light of the problems, such as overheated economy appearing in the economic life, inflated investments, issuance of excessive currency, excessively large amount of credit, exorbitant consumption, and soaring prices, the central authorities have since September 1988 adopted measures for improvement and rectification. Over the past two years, achievements have been scored in improvement and rectification, and a macroenvironment has been created for deepening reform, while deepened reform has pushed forward improvement, rectification, and a steady rise in the economy.

Reform effected remarkable changes in the original structure.

Reform altered the original unitary public ownership structure that did not suit the level of realistic productive forces; vigorously developed the urban collective economy and rural township and town enterprises; properly developed individual and private economic sectors and other sectors under public ownership; and achieved good results in effectively arousing the enthusiasm of all quarters, developing the economy, making an easy life, and arranging for employment.

The organizational form of economic units under public ownership and the enterprises operational form were reformed. In urban areas, state-owned enterprises' operational form of unified state control over income and

expenditure was initially altered so that their production and operation decisionmaking power was expanded and they made progress in self-transformation and development. In rural areas, a two-tier operation structure, combining centralization and decentralization, was gradually established, and a new organizational form that suited productive forces development was found for the collective economy, thus vigorously promoting the development of rural production and the national economy as a whole.

The price management structure and formation mechanism was reformed, all sorts of markets gradually developed, and the role of market regulation and of the law of value initially brought into play. Meanwhile, the macroeconomic management structure was reformed and, through reforms in the financial, monetary, planning, and investment aspects, local enthusiasm was aroused, and the development of the regional economy pushed forward.

The traditional semiclosed economy began changing to an open economy by actively utilizing international division of work and international exchanges and a "special economic zones—coastal open cities—interior" setup, one which gradually opens up to the outside world, was initially formed. Imports and exports, utilization of foreign capital, and economic and technological cooperation with foreign countries have developed quickly.

Reform has produced extremely profound effects on China's economy and society, has pushed forward changes in thinking and concepts and theoretic development, and has accelerated economic growth. China's GNP is 2.6 percent higher than during the pre-reform period, and social all-personnel labor productivity has increased from an average yearly increase of 3.6 percent prior to reform to 6 percent after. The market is flourishing, and the people's living standard has improved. The average yearly increase in the urban and rural residents' consumption level has gone up from 2.2 percent before reform to 6.5 percent since reform.

(II)

When we look forward to the 1990's, the objective of China's economic structure reform is to initially build a new socialist planned commodity economy structure and an economic operation mechanism which combines a planned economy with market regulation. The CPC Central Committee's "proposal for formulating the 10-Year Program and the Eighth Five-Year Plan for National Economic and Social Development" further points out the orientation, tasks, and measures to deepen reform and to open further to the outside world.

To achieve this objective, the main tasks of deepening reform in the 1990's are the following:

1. Carry out enterprise reforms to create a sound micro-foundation to develop the national economy.

2. Deepen reform of the rural economic structure and enhance the standard of the modernization of the agricultural economy. Stabilize for a long time and in unremittingly perfect manner the responsibility system, with the contract responsibility system on a household basis with remuneration linked to output as the main aspect, as a rural basic system.

3. Do a good job in reforming the market circulation and price structures and improve market systems. Continuously push forward and deepen circulation structure reform according to the principle of combining the planned economy with market regulation.

4. Vigorously push forward reforms in labor employment, wages, social insurance, and housing systems.

5. Open up wider to the outside world and deepen reform of the foreign trade system. Gradually promote the opening up to the outside world in inland regions and the border trade. In the reform of the foreign trade system, establish a foreign trade system that basically conforms to international trade norms and let foreign trade enterprises be independent in business and management and responsible for their own profits and losses and compete with one another on an equal basis.

6. Strengthen the construction of a macroregulation and control structure. Build and put on a sound basis a scientific and effective macroregulation and control structure that combines the planned economy with market regulation and that both is beneficial to stabilizing the economy and unifying balanced management and can give full play to the enthusiasm of all quarters. This is a basic task of China's deepened reform in the 1990's. In view of this, through reforming the structures of planning, finance, and banking and straightening out the relations among the planning and financial departments, banks, and other economic departments, it is imperative to gradually form a macroeconomic regulation and control structures of these three large branches that have clear and definite duties, divide work reasonably, and can support and restrict one another.

(III)

While deepening the reform of the economic structure, it is essential to vigorously push forward the development of high and new technology. In view of this, it is necessary to define the following points:

1. To truly make science and technology become the primary productive force, it is first necessary to commercialize and industrialize science and technology.

When a country wants to develop its science, technology, and economy, it must have strong scientific research and technological development capabilities and the ability to successfully transform science and technology into commodities and to acquire economic interests. The latter is, in a sense, more important than the former. The current world economic competition becomes embodied more

and more in the competition of materialized technological standards in commodities and, therefore, it is essential to speed up the transformation of scientific and technological achievements into realistic production through commercialization and industrialization.

The selection of the high and new technological industries' projects must be based on China's specific national conditions, and strength and priority must be given to the selection and development of projects which it has superiority in or which the international community has established weakly or not at all. The development zones projects must dovetail with the plans for economic, scientific, and technological development and, meanwhile, the enterprises' research and development capabilities in the development zones must be unremittingly enhanced; the intermediate experimental links must be strengthened; and the merging of scientific research, design, production, and operation must be pushed forward. The people-run scientific and technological enterprises' role must be fully brought into play. All development zones must vigorously develop key products, develop the groups of enterprises with the high and new technological enterprises as the dominant factor, form pillar industries, carry out operations of scale, and strive to raise the degree of industrialization.

2. Only by combining science and technology with market can we produce substantial economic results.

The commodity economy is an impassable stage of socialism. High technology, for a fairly large part, comes from market needs. Under the conditions of the commodity economy, market competition is an important force to push forward technological progress. In the past, the funds of the Soviet Union and East European countries for scientific research and development were not small and accounted for about 25 percent of the total world amount, but the amount of exported technologies constituted only 1 percent of this amount. To promote technological progress and speed up the development of high and new technological industries, therefore, it is imperative to build a market competition mechanism and develop a technological market. With such a market competition mechanism, demands for technology will increase a hundredfold, and material resources and resources of talented people will be fully sought.

3. Strengthening enterprise vitality and gradually forming self-development and -restriction commodity producers and operators who are independent in operation and responsible for their own profits and losses is the central link to developing the high and new technological industries.

4. In developing high and new technology, we must proceed from China's practical situation and the market demands but not blindly pursue "high" and "new."

5. Open up wider to the outside world, put the high and new technological products into the international market, and accelerate the process of internationalizing the high and new technological industries.

To realize the internationalization of China's high and new technological industries, it is essential to implement the omnidirectional opening principle of simultaneously strengthening scientific and technological cooperation and economic cooperation, civil cooperation and government cooperation, and bilateral cooperation and multilateral cooperation; to intensify the study of the features of internationalizing the modern high and new technological industries and of the tendency toward development; and to determine a correct strategy for development. Meanwhile, it is imperative to establish and put on a sound basis the structure, mechanism, and environmental conditions that suit international practice.

Country's 'Debt Chain' Problem Analyzed

OW1711063491 Shanghai JIEFANG RIBAO
in Chinese 9 Nov 91 p 6

[Article by reporter Zhao Guocheng (6392 0948 1004) and correspondent Du Yiping (2629 5030 1627): "The Cause, Effect, and Solution of China's 'Debt Chain'"]

[Excerpts]

Interlocking "Debt Chain"

Today, nothing in China's economy causes more headaches than the "debt chain" problem.

What is "debt chain?" The term defines debts owed among enterprises. Enterprise A is indebted to enterprise B, enterprise B is indebted to enterprise C, and enterprise C is indebted to enterprise A. Each is at once a debtor and a creditor to one another. This interlocking situation is called a "debt chain." [passage omitted]

The Burden Becomes Heavier and Heavier

Being in debt is not at all strange in a market economy. Since time immemorial, debts have been likely to occur during the course of exchanging goods in all corners of the world. However, the "debt chain" we face today can be called "one of a kind" because it not only has grown into a nationwide "multiangular" debt system of unprecedented complexity, but it also is expanding at an alarming rate.

According to statistics, the national "debt chain," standing at only several billion yuan in 1987, jumped to 32 billion yuan in 1988, and again soared to 100 billion yuan in 1989. By the end of 1990, the "debt chain" topped 200 billion yuan. In the first half of 1991, the total amount of debts owed among enterprises across the country swelled to 300 billion yuan.

Indeed, this is a terrifying amount.

But, how large of an amount is 300 billion yuan? The following two simple comparisons may help us grasp the greatness of the amount. First, the amount of currency in circulation in China currently totals about 260 billion yuan, which is outstripped by the "debt chain." Second,

the country's loan balance stands at 1.5 trillion yuan, and the "debt chain" makes up one fifth of it.

Evidently, the "debt chain" is no longer normal. Its vicious swelling is well beyond the point where the country's economy is rendered powerless to absorb it. It has become a burden, one that gets heavier and heavier.

The "debt chain" has "sunk" precious funds into debts that generate no economic returns; this in turn slows down the flow of funds and leads to poor economic returns. According to the People's Bank of China, for every single yuan of output value, the bank has to issue an additional 23 yuan in loans. In 1990, the turnover time for total circulating funds reached 200.14 days, and the profit from every 100-yuan loan issued dropped to 4.89 yuan.

Furthermore, the problem makes it difficult for enterprises to continue normal production and operations. With products delivered but no payments received in return, enterprises have to turn to banks for circulating funds to maintain production. The result is "their profits cannot pay the interest incurred." [passage omitted] During the first seven months of this year, the total output value of budgetary state-run industrial enterprises rose 10.4 percent from the same period last year; however, their profits dropped by 13.1 percent. Efforts were made, but no profit was generated. What is the matter? The "debt chain" figures prominently.

The "debt chain" also breaks up the normal pattern of economic activity. It disturbs the transaction of commodities, upsets financial settlement, and eventually leads to the decline in market resilience. [passage omitted]

The Startling Situation of Clearing at One End and Extending at the Other

The matter has reached a die-hard, untenable position. In early 1990, the State Council came forward to intervene in the "debt chain" problem. At that time, the nationwide total of such debts had topped 200 billion yuan, thereby disrupting the entire "economic machine."

The State Council established a leading group for clearing "chains of debt default." Various provinces and municipalities also set up corresponding organizations and formulated an entire set of methods and principles for clearing defaults on debts. These methods included a unification of efforts to demand repayment of loans with a set of interlocking stratagems for clearing debts, as well as starting from one particular point and working along a particular line, moving from one particular line into the whole area, and working from inside one area and moving outward. Specifically speaking, it means to start clearing debt default from within one's own system, then proceeding to a province or municipality or autonomous region as a unit, and then further extending the work to a key city belt adjacent to several provinces, and finally across the country.

A nationwide campaign to encircle and tackle the "debt chain" has been launched. To ensure effective execution, the State Council has made an important decision to inject a large amount of funds to help clear the debt chain. Did you not say you have no money to repay the debt? All right, then the state will lend you the money. This initial fund totaled 50 billion yuan. To appropriate such a huge amount for clearing debts at a crucial moment during the course of improving the economic environment and rectifying the economic order makes the magnitude of the decision self-evident.

With the injection of these funds, the work of debt clearing was put into operation throughout the country. Take Shanghai, for instance; it cleared debts within the municipality in April, within east China region in June, and nationwide in August. The bank dished out debt clearing funds to the tune of 6 billion yuan while the total debt default recovered amounted to 10 billion yuan. The results achieved nationwide are quite significant. According to the calculations by both the creditors and debtors, a total debt of 142.5 billion yuan under current assets, and 18 billion yuan under fixed assets had been cleared in the whole year. Undoubtedly, this has played a positive role in easing the tight fund situation among enterprises, setting the markets in motion, stimulating a rebound in production, in supporting state key construction projects, and stabilizing the economy.

However, this by no means should nurture complete optimism. The gigantic debt chain has not yet been unraveled as a result. An unexpected problem has been puzzling: The "debt chain" has been cleared at one end but extended at the other. What is even more worrisome is that the speed with which debt is being incurred is far, far greater than it is cleared. According to statistics as of April 1991, after clearing an old debt default of 160 billion yuan, a new debt default totaling 260 billion yuan under the "debt chain" has emerged. When this is added to the amount yet to be cleared, the gross total will be increased to 300 billion yuan.

The end result is dramatic and smacks of poignant mockery. No wonder many people despondently raise the question: The "debt chain," when will we see the day when it can be thoroughly cleared?

Wherein Lies the Crux of the Matter?

People have to sit down and calmly ponder a question. Wherein exactly lies the crux of the matter for the increasing "debt chain," since new debts are incurred again after the old ones are cleared?

It is commonly said that "debt chain" emerged from a "phenomenon of empty gunnysacks." It means that you go to a grain shop to purchase rice even though there is no money in your pockets, but insist on carrying back rice in the empty gunnysacks. This can only be done one way—by incurring a debt. It is no exaggeration that the initial "debt chain" began from this phenomenon of "carrying rice with empty gunnysacks."

In economic life, the practice of "carrying rice with empty gunnysacks" can be found everywhere. For instance, in capital construction and technological transformation projects, contracts have been awarded but investment funds are not received, resulting in large deficits of fund. What must be done? The only way is to delay loan repayments and use project funds to tide over the days. Therefore, with this deficit in fixed asset investment, problems begin to appear. Construction units are in debt to machine-building and electrical equipment manufacturing plants; machine-building and electrical plants are in debt to steel plants; and steel plants are in debt to coal mines, railway units, and power plants. A "debt link" is thus formed. This of course is only one of the links. A construction project with a serious shortage of investment funds can have over a dozen "debt links" in the process of construction. How can the expansion, extension, and interlocking of these "debt links" not worsen the debt situation?

Why does this "deficit" emerge? On one hand, there are objective reasons; for example, the increase in prices of raw materials and in loan interest. To construct a power plant, an original 100 million yuan investment is budgeted, but in actual project implementation 120 million yuan is needed. The excess of 20 million yuan is thus the deficit. However, there are more subjective reasons—that is, the common practice of "fishing project." In order to win project contracts, project budgets are deliberately lowered, or false reports on fund procurement are made. When involved in the first project, it is reported that 100 million yuan is available, and for the second it is again said that the same amount is available. It is also reported that the same 100 million yuan is available when going for a third project. This is just like remarrying a daughter several times. The practice will soon be exposed when projects are won and work begun.

How large is the total deficit nationally? According to the 1990 statistics alone, fixed asset investment of units owned by the people and collectives totaled 347.7 billion yuan. The investment for the same period, including allocated funds, loans, funds procured by units, and foreign funds totaled only 296.5 billion yuan. The deficit reached a high 51.2 billion yuan. This of course would create a new "debt chain."

Another reason for the emergence of the "debt chain" is that enterprises incurred heavy losses. According to the statistics of financial departments, losses permitted by policy and operational losses incurred by institutions of food, foreign trade, commerce, and materials, as well as uncompensated budget of state industrial and manufacturing enterprises, totaled 50 billion yuan at the end of 1990. In addition, according to a survey and estimate by the Industrial and Commercial Bank of China, the latent losses of enterprises were equivalent to 170 percent of book losses. It was thus estimated that the total amount of book and latent losses for the whole of 1990 exceeded 100 billion yuan. This indicates that in reality many enterprises are actually "penniless" and do not have the

basic paying ability. It is therefore unavoidable that the practice of "carrying rice with empty gunnysacks" emerged.

Does it then mean all the problems can be solved with money? Not entirely so. At present, a number of enterprises which are saddled with backward technology and irrational product structure are unable to meet market demand. Products have been made but remain unsaleable, and thus have to be stockpiled in warehouses. Stockpiling virtually is tantamount to precipitation of capital. Failure to relieve the overstocking of products and relying merely on loans to motivate production and disentangle the "debt chain" will just lead to the reverse consequence. Each loan will lead to a dead end; the greater the loan, the slower the fund turnover. This will certainly eventually result in "bringing about a new debt while doing away with the old one."

How serious is the situation of overstocking of products? According to the latest statistics, in the first half of 1991 the amount of finished products stored in warehouses of industries and enterprises at and above county level nationwide exceeded that of the normal year by 80 billion yuan. This 80 billion yuan, along with declared and latent losses, plus the new shortfall of 50 billion yuan under fixed assets investments, would almost be equal to the newly emerged debt default totaling 260 billion in 1991. The reason why the 50 billion debt clearing fund was irrevocably lost, and further led to a sharp increase in "debt chain" from 200 billion yuan to 300 billion yuan instead, is thus equally obvious in most cases.

This does not seem to be the end of the problem if we probe the matter more deeply. For instance, if we know very well that a person has no money, why should we allow him to carry the "rice" home? Again, let us take another example. If we know very well that the goods produced have no market, then why do we still keep on producing? There is only one answer: The problem lies with the system of organization.

You will not believe that in fact many a "debt chain" is not derived from loans but arises by itself. Take Shanghai Steel Complex, for example. When it was at its peak, the amount owed by buyers of its goods reached 2 billion yuan, and yet it still continued to deliver the goods. Currently we are practicing a planned economy combined with market adjustment. When a company has planned a supply target "willy-nilly, it has to supply." As for market adjustment, what is the tolerance level of the enterprise? Once the product is out of the mill, it would generally be better to dispatch the goods than to pile them up in the warehouse. Then if one encounters a purchaser who is broke, one still has to be accommodating and let the purchaser carry the "rice" away first.

Regarding the inability to put an end to a batch of enterprises according to the law, it even more clearly reflects the inadequacy and imperfection of the structural reform. Why, when one is fully aware that an

enterprise is a badly losing business with insufficient funds to meet its debt, and when one is fully aware that the goods it produces can only lead to a new overstocking position, do we fail to decisively let it go bust? It is because of a lack of an essential mechanism for employment and a lack of a correspondingly social insurance. Hence, the only way out is to provide loans to maintain the production and pay wages for the sake of "stability and unity."

Latest Choice for Getting Out of the Predicament

In line with Premier Li Peng's instructions, in May 1991 Zhu Rongji, the newly-appointed vice premier of the State Council, took charge of the second round of a nationwide drive to clear the "debt chain." Later the party Central Committee made clearing the "debt chain" the spearhead in its effort to enliven large and medium-sized state-run enterprises.

This undoubtedly signals that the "debt chain" has been placed at the top of the economic agenda. Now that the mind is set, all efforts are directed toward reaching that goal.

There is a popular saying that "once Rongji takes personal charge, he himself can do the work of two people." The new officer, known for his "resolute and rigorous work style," gallantly took up the challenge. After carefully examining and studying the problem, he promptly designed a plan to "cut the Gordian knot."

The new plan can be summed up into "three clearings"—to "clear from two major sources," to "clear in two directions," and to "clear the mentality." To "clear from two major sources" means to tackle first the debt defaults arising from capital construction and technological upgrading projects, sorting out both creditors' rights and liabilities. Once this is done, funds will be raised by hook or by crook to pay back the debts, with the state pumping in money in the form of loans to make up any shortages of funds. Once the sources are taken care of, undoing one by one the "debt chains" that follow will fall into place without a hitch. To "clear in two directions" means on the one hand to clear debt defaults in connection with fixed asset investments, and on the other to clear debts owed in the form of circulating funds. Although defaults in paying back circulating funds do not count as a source of the "debt chain," they do make up a good chunk of the total "triangular debts"—about 80 percent. Therefore, any fundamental change to the whole picture will be hard to come by if this problem is not solved. To "clear mentality" means leaders at all levels must pay due attention to the "debt chain" problem; must unify their thinking; must observe strict discipline; must correct such wrong concepts as "defaulting debts is justifiable," "defaulting debts is desirable," and "defaulting debts can generate economic returns"; and must strictly punish those who fail to pay back their debts or who seek personal gains and neglect their duties.

The plan emerged as a result of summing up past experience and pooling collective wisdom. To effect a

permanent cure, experts said, the following additional measures were also adopted:

Measure one: Implement a closed-circuit debt settlement. Starting from the sources, creditors activate the process. Payments received will be used to repay debts, and the process will be repeated down the chain. All but 10 percent of the money thus received must be used to pay back debts owed to others; the 10 percent can be retained by enterprises. In this way, debt settlement can proceed in an orderly manner, and the limited initial funds will have greater results.

Measure two: Set up an overdue fine system. Starting with this round of debt settlement, those who delay in repaying their debts will have to pay overdue fines at a set percentage of their debts, in addition to subjecting themselves to other coercive measures. The purpose is to ensure debtors gain no economic advantages from delaying their payments.

Measure three: Strictly monitor and control investments in fixed assets projects. No "fishing projects" are allowed. From now on efforts must be made to plug loopholes in various investment projects.

Measure four: Reduce overstocking of finished products, increase investment in technological transformation, fundamentally enhance the vigor of enterprises, and enable them to have a market for their products. [passage omitted]

From the "Battle of Liaoning and Shenyang" to a "Decisive Battle Across the Country"

"A tangled skein of jute can be cut with a sharp knife." However, China is such a big country in which there are thousands of "debt chains." Where can we make a breakthrough?

Data collected from investigation show that the northeastern region, particularly Liaoning Province, is suffering under very serious "debt chains." The region is China's heavy industry base with a large number of large and medium state-owned enterprises there shouldering heavy production tasks under mandatory state planning. So, the trouble caused by "debt chains" is also the most serious there. As of the end of April, the debts involving 5,212 state-owned enterprises in the three northeastern provinces was 60.9 billion yuan, almost one-fifth of the nation's total. Of the three provinces, Liaoning ranks first in debt—26 billion yuan.

In early June, Vice Premier Zhu Rongji visited the northeastern region, listened to reports on the situation there, and decided to make the three northeastern provinces the starting point in breaking the nationwide "debt chains." Then, 319 enterprises of machine-building, electric power, metallurgical, coal, non-ferrous metal, and building materials industries there were selected to be the creditors; and the State Council would help them recover what others owed them—debts owed them by

various localities in the course of capital construction and technological transformation projects.

On 24 June, Premier Li Peng chaired a meeting which adopted the first-stage work plan for breaking nationwide debt chains with Liaoning and other northeastern provinces as the experimental zone. So, the "Battle of Liaoning and Shenyang" has begun. [passage omitted]

In late July, 14 work groups organized by the State Council set out for various parts of the country, carrying with them the debt lists prepared by the 319 enterprises of the northeastern region. On the one hand, they verified the debts and urged the debtors to repay what they owed those enterprises. On the other hand, they strived to accumulate experience for future use in clearing nationwide debt chains.

Since the beginning of August, various provinces and cities have successively repaid their debts to the 319 enterprises, and many of them have repaid 100 percent of their debts. [passage omitted]

At the same time, a "chain repayment" has also begun in the northeastern region. With the recovered money, the 319 enterprises have begun to repay what they owe others. Moreover, the work of breaking debt chains in the region has become even more effective since the state appropriated 3.4 billion yuan and local governments raised 1.5 billion yuan as debt-clearing funds. So, the chains have begun to break. Take Liaoning, for instance. As of the end of August, it cleared debts amounting to 8.36 billion yuan, about one-third of the total debt chains in the province, and achieved a great success of clearing 3 yuan of debt with 1 yuan of debt-clearing funds.

The success of the "Battle of Liaoning and Shenyang" has laid a foundation for a "decisive battle across the country." At the national work conference on breaking "debt chains" in early September, Premier Li Peng put forward a clear and definite strategic objective—the state will appropriate 30 billion yuan as a debt-clearing fund, so that one-third of the nation's debt chains, or 100 billion yuan, will be cleared within this year, and then the rest of the debt chains will be completely cleared in two years thereafter. Vice Premier Zhu Rongji has set an even higher demand—while breaking the "debt chains," the finished products in stock should be reduced by the amount of 20 billion yuan; at the same time, the losses incurred by enterprises must not become bigger and efforts should be made to keep them below the level of the end of June of this year. [passage omitted]

In Shanghai, the debt-clearing funds have circulated seven or eight times, and the actual debt-clearing effect may exceed the 1:3 ratio. According to experts' estimates, with such a trend developing, there will be no problem in attaining the objective of clearing 100 billion yuan of debts in China within this year. [passage omitted]

State Wholesalers Sector Faces Difficulties*HK2011022791 Beijing CHINA DAILY in English
20 Nov 91 p 4*

[By Chen Xiao: "State Wholesalers Fighting a Hard Battle"]

[Text] Beset by financial difficulties, China's State wholesalers of industrial goods are trying hard to keep their heads above water.

"Government interference, current tax policies and an unfair environment for competition with private business have retarded the advance of the State-owned wholesale industry," said Wan Dianwu, vice-chairman of the China Association of Commercial Economics.

According to a survey conducted by the Industrial and Commercial Bank, 41.2 percent of 40,158 State wholesalers lost money in 1990.

Lin Shishan, an official with the Beijing Commerce Bureau, said about half of the city's State wholesalers were oozing red ink. These wholesalers currently hold stockpiles totalling 600 million yuan (\$111.7 million).

A Guangdong Province report showed that large and medium-size State wholesalers lost 18.5 million yuan (\$3.4 million) in 1990. Yet these firms had profits of 90.5 million yuan (\$16.8 million) in 1988.

Besides the State-owned, wholesalers in China also include collectively-run and private concerns. All of them act as a bridge between producers and retail outlets.

Since April, a group of economists led by Wan have been studying the State-owned wholesale industry in four provinces, Jiangsu, Guangdong, Liaoning, and Shaanxi; two cities, Beijing and Shanghai; and the Guangxi Autonomous Region.

Government interference is listed in the report as a major cause for the losses.

The researchers found that reforms over the last 10 years have achieved little in giving decision-making power to State wholesalers, leaving them simply to play the role of an administrative department of government. The wholesalers had to purchase stockpiles from industrial producers to meet the State plan even if their current inventory was already overstocked, the study said.

By the end of 1990, the value of stockpiles in the Beijing General Commodity Wholesale Company had reached 205 million yuan (\$38.2 million), with 40 percent of the figure stocked to meet the State plan.

Meanwhile, wholesale enterprises lack operating funds, Wan said. They have to rely on bank loans, which put a heavy burden on them because of interest charges.

"We are tired of trying to maintain our business under these conditions, and while we seek efficiency, that word

is far away from reality here," said a manager of a Beijing-based wholesale firm.

By the end of last year, the Beijing Wholesale Market of Industrial Goods had working capital of only 4.7 million yuan (\$0.9 million), accounting for 1.7 percent of its total working capital.

Wan's report said that more than half of the investigated companies' costs had gone towards interest payments.

A further hindrance to wholesaler's economic health is debt default. The Guangdong report said that four Guangzhou-based State wholesalers of general commodities were owed a total of about 272 million yuan (\$50.7 million). Payment was due last April.

Moreover, State-owned wholesale enterprises pay more taxes than collectively-run or private wholesalers. About 80 percent of their profits go to the State in various forms of taxes while the tax rate for collectively-run firms is only about 30 percent. This irrational tax system operates to the disadvantage of State wholesalers, Wan said.

In 1990, State wholesalers in Guangdong Province were forced to pay 22 different kinds of taxes and 89 kinds of fees.

"We cannot compete with private firms, though we've tried hard to tighten our belts," said Lin, the official from the commerce bureau.

A high tax rate isn't the only thing holding back State wholesalers.

These firms don't have the right to fix prices, and although prices for most consumer goods have been deregulated, the wholesalers are limited to a 10 percent profit margin on commodities they sell to retail outlets.

The situation in the private sector is much more flexible, since firms there can charge whatever prices the market will bear, Lin said.

In Guangdong Province, where the private sector is developing rapidly, State wholesalers are being supplanted by private businesses. Some of these enterprises have ceased to exist except in name. In the Guangzhou wholesale textile market, for example, there are about 32,000 private firms, while only nine are State-run concerns.

To encourage the State wholesale sector, Wan said it is important "to reduce the government's role in the business."

Instead of churning out mandatory plans, the central government should encourage State wholesalers to adopt market mechanisms and allow them to fix prices according to market demand. And, Wan added, the central authorities should recast financial policy. The

current income-tax rate of 55 percent should be lowered to 33 percent, approximately the income tax rate of collectively-run firms.

A share-holding system should also be introduced to the state wholesale industry to found business conglomerates, and poorly-performing enterprises should be merged with profitable ones or closed down, Wan added.

He also proposed establishing specialized wholesale market and commodity exchanges of industrial goods.

Commentary Stresses Settling Unpaid Taxes

OW0911121691 Beijing XINHUA Domestic Service
in Chinese 0828 GMT 7 Nov 91

[Commentary by RENMIN RIBAO reporter Li Jianxing (2621 1696 5281) and XINHUA reporter Ding Jianming (0002 1017 6900): "When Can Enterprises Pay Off Taxes?"]

[Text] Beijing, 7 Nov (XINHUA)—Grain for the emperor and taxes for the state have been in existence since ancient times. Now, enterprises paying taxes in accordance with the law are also duty-bound; however, in recent years, enterprises frequently owe large amounts of taxes to the state. This has directly influenced the normal management of central and local funds and hampered balancing the budget.

Unpaid Taxes Have Remained High

Since the beginning of this year, the State Council has adopted a series of measures to settle unpaid taxes. Tax collection organizations in various localities have also done a lot of work; however, the total amount of taxes owed to the state by various enterprises in the whole country is still very large. In particular, the amount of unpaid taxes increased greatly in the first half of this year. The amount of settlement was offset by newly owed taxes, and the situation remained quite serious. The total amount of taxes owed to the state during the period from January to May this year increased by an average of 1.654 billion yuan each month compared to the total amount of unpaid taxes at the beginning of this year. The average monthly rate of increase was 13.4 percent. The increase was particularly serious in February, with an increase of 2.565 billion yuan or 18 percent. Since June, the increase in unpaid taxes has been alleviated somewhat, but the total amount of unpaid taxes remained very high. According to statistics, as of end of August, the total amount of taxes owed by enterprises in the whole country set an all-time record, reaching 21.877 billion yuan, increasing by 77.4 percent compared to the beginning of this year. This figure does not include funds owed for energy, communications, and other major capital construction, state budget regulatory funds, and taxes for occupying farmland. Through hard efforts, the total amount of unpaid taxes was reduced somewhat in September, but it still reached 21.344 billion yuan.

The trades that owe taxes this year include mainly cigarette, metallurgical, television, textile, coal, chemical, and sugar production industries. Primarily, industrial, commercial, and enterprises owe the unpaid taxes in the form of income tax. As of the end of September, the total amount of unpaid industrial and commercial taxes reached 8.641 billion yuan, increasing by more than 3.788 billion yuan compared to the beginning of this year, and the total amount of unpaid enterprises' income tax reached 7.588 billion yuan, increasing by 4.879 billion yuan compared to the beginning of this year.

According to a breakdown of regional figures, nine provinces and municipalities each owed more than 500 million yuan, and a few provinces and municipalities each owed more than 1 billion yuan.

Are They All Unable To Pay Taxes?

At present, tax collectors are finding it very difficult to collect taxes. Some plant directors and managers say they have no money as a reason to refuse payment.

Do they really have no money to pay taxes?

This is not the case. This can be seen in the following examples:

A certain province has two plants producing famous brand cigarettes, which can create more than 5 million yuan in profits and taxes daily. Besides, the bank also guarantees the supply of revolving funds for the two plants; however, as of end of April this year, the amount of unpaid taxes of the two enterprises was as high as 591 million yuan.

One electric wire plant in the Northeast paid all water, electricity, and coal costs, but it did not pay taxes after collecting money from its sales. Another plant that should have paid total taxes of 110,000 yuan paid no tax at all; however, it paid 20,000 yuan for bonuses of staff members and workers and propane gas and 100,000 yuan for capital construction.

Four enterprises in Hubei Province owed a lot of taxes. From January to April this year, the four enterprises recovered 18.51 million yuan from their sales. After deducting 16.43 million yuan for necessary raw materials, wages, and other disbursements, they still had 2.08 million yuan which could have been used for various purposes.

Some enterprises claimed that they had no money to pay taxes to the state, but they used available funds to buy automobiles, sofas, and other consumer goods or invested in capital construction projects outside the state plan. What are the reasons for this situation? It was learned that some enterprises believed that if they did not pay money demanded by local authorities, their operations would be obstructed; if they did not issue bonuses to workers, workers' enthusiasm would be dampened; if they did not pay a road maintenance fee, they would not be able to use their vehicles; if they did

not pay water and electricity fees, their water and power supplies would be cut off; and if they did not pay their telephone fees, their lines would be disconnected. They held that since tax money belongs to the state, they can postpone tax payment without affecting production and incurring extra costs.

What Are the Reasons?

We can say that the huge amount of unpaid taxes is directly related to the serious situation of "debt chains" and the low economic results of various enterprises. Many enterprises have difficulty in recovering large amounts of money from sales, are overstocked with products, have had poor economic results, or even suffer from losses. Those are some of the things that affect the timely payment of taxes.

Various enterprises indeed have many actual problems; however, our country's current tax collection methods are also very ineffective. Owing to various reasons, the state is too lenient toward enterprises that owe taxes, especially those enterprises that have the ability to pay but still owe taxes to the state. Generally speaking, leaders of those enterprises are not held responsible for nonpayment of taxes. Some enterprises that owe a lot of taxes to the state were even named as advanced units. Although the tax law stipulates that penalties can be levied against enterprises that are in arrears with tax payments, this function cannot be utilized because of interference from local authorities and departments having jurisdiction over those enterprises and noncooperation of some financial organizations.

What Are the Ways?

The increasingly serious problem of owing taxes reflects the rough operational mechanism of the entire national economy. Some people say that to fundamentally solve the problem, it is essential to further raise understanding, work with coordinated efforts, tackle the problem by all departments concerned in a comprehensive manner, give full play to the dual role of planned economy and market adjustment, firmly readjust those enterprises with low economic efficiency and poor product quality which consume a lot of raw materials and fuel, and achieve a basic balance between the supply of commodities and demand in the market. On the other hand, it is necessary to straighten up financial, tax, and banking order and strengthen discipline in settling accounts. Financial organizations should operate in accordance with the normal system prescribed by the state and handle tax matters in an appropriate manner. Those who violate financial discipline will be punished by the party or government according to related laws and regulations.

We think the most important thing is to improve the collecting and administrative methods of tax departments and strengthen the binding force of paying taxes by enterprises. We must stress the role of tax collection

as "blood vessels" in maintaining government administration and invigorating the national economy. We must stress the obligation of all tax payers to pay their full amount of taxes within a time limit. If there are temporary difficulties, tax payers should request tax departments to approve extensions and should never wantonly delay the payment of taxes. Tax departments should firmly levy penalties according to the law against those enterprises that wantonly delay the payment of taxes. Regarding those enterprises approved to postpone paying taxes, surcharges for overdue tax payments equivalent to banking interest rates should still be levied. It is essential to do all things in accordance with the law, implement the law in a strict manner, and uphold the solemn nature of the state tax law.

Rural Industry Registers 'Record' Growth Rate

HK2011024591 *Beijing CHINA DAILY in English*
20 Nov 91 p 1

[By staff reporter Wang Dongtai: "Rural firms grow 20

—with more to come"]

[Text] In the past 10 months, rural industry has registered a record growth rate of 20 percent compared with the same period of last year, and officials predict an even faster development before the turn of the century, according to the Ministry of Agriculture yesterday.

The marked growth rate of rural enterprises from January to October this year shows the country on the verge of another rural industrial boom, said Zhang Zhongshan, planning division chief in the ministry's Rural Enterprises Department.

Total production value of rural industrial export goods during the first half of the year increased 40 percent compared with the same period of last year, Zhang said.

Since rural enterprises, run by collectively-owned townships or villages, play an important role in the rural economy, the Ministry of Agriculture has set an annual growth target of 11 percent for them during the Eighth Five-Year Plan (1991-95) period.

According to the plan, total production value of rural enterprises should reach 1,640 billion yuan (\$309 billion) by 1995 and 2,640 billion yuan (\$500 billion) by the year 2000.

Their annual growth rate from 1996 to 2000 has also been planned at an average of 11 percent, and the production value of rural industrial enterprises should reach 1,200 billion yuan (\$210 billion) by the year 1995.

The Rural Enterprises Department envisages that by the year 1995, rural enterprises throughout China will employ 110 million people, an average increase of 3.5 million people annually from 1991 to 1995.

By the year 2000, rural enterprises will employ a total of 140 million people, according to officials of the Ministry of Agriculture.

Zhang pointed out, however, that fast-growing rural enterprises face the task of improving their technology and equipment in order to raise productivity and reduce costs.

But at the same time, rural enterprises also face the task of absorbing the surplus labour force in rural areas. At present, he said, plans were being made for the eastern part of the country to make technology improvement a priority. In the west, plans were being formed to start new factories and absorb more surplus labour.

Plans were also being made for developed areas, which include 11 provinces and municipalities, to develop export-oriented enterprises, companies that make products to match imported products, the service industry, and technology-intensive or labour-intensive enterprises.

In developing areas of Central China, known for their rich agricultural resources, plans were being made to develop more processing industry for farm produce and agricultural byproducts, including fruits, vegetables and handicrafts.

Other industries such as mining, building materials and transportation, should also develop in the area, officials said.

Separate plans were made for the developing regions of western China, including Inner Mongolia, Guangxi, Guizhou, Yunnan, Tibet, Gansu, Qinghai, Ningxia and Xinjiang.

Gezhouba Project Paves Way for 3 Gorges Control

OW1911085191 Beijing XINHUA in English
0724 GMT 19 Nov 91

[Text] Wuhan, November 19 (XINHUA)—The Gezhouba Water Control and Power Project, the largest so far in China, has operated smoothly for 10 years, withstanding stress by floods and silt deposits.

The smooth operation shows that China is capable of building key water control and power projects including the Three Gorges Project now on the design table, said water control experts.

The Gezhouba project is the largest water control and power project on the Yangtze River and the third longest in the world. Work started at the end of 1970 and the project went into operation in 1981. Its installed capacity is 2,715,000 kW [kilowatts] and average annual electricity output is 15 billion kWh [kilowatt-hours].

Over the past 10 years, it has withstood the test of floods, including a water flow at a speed of 45,000 cubic meters per second, on 24 occasions and the rare flood peak in 1981 which pounded the dam for four consecutive hours at a speed of 72,000 cubic meters per second.

Scientists and technicians have also succeeded in preventing the dam from being silted up, a problem that had caused the greatest concern about the project, as the Yangtze River discharges more than 500 million tons of silt a year. The river bed has been kept free of silt deposits.

All the indices, including the sinking and leaking of the dam, are all within tolerable ranges, according to experts.

Many experts agree that the success of the Gezhouba project has paved the way for the construction of the long-controversial Three Gorges Project.

East Region

Electronic Industry Growing in Xiamen SEZ

OW1811135191 Beijing XINHUA in English
1335 GMT 18 Nov 91

[Text] Fuzhou, November 18 (XINHUA)—Economic reforms and open policies have spurred the development of the electronic industry in eastern China's Xiamen city, one of China's special economic zones [SEZ].

According to the municipal government, last year the output value of the electronic industry in the city reached two billion yuan, accounting for 33 percent of its total industrial output value.

A decade ago, there were only 18 small-sized electronic factories in the city of Fujian Province and their output value was about 20 million yuan.

In 1987, the Xiamen municipal government designated electronics the pillar industry of the city and adopted preferential policies for its development.

At present, Xiamen has a number of electronic enterprises with quality products and economic efficiency which can produce personal computers, various kinds of radar, telecommunication and navigation-guiding equipment.

Xiamen Overseas Chinese Electronics Co. Ltd., which has 3,000 employees and 70,000-square-meters of factory space, has exported its products to more than 35 countries and regions in the world.

Since going into production in 1985, its output value has reached four billion yuan.

At the end of last year, the state science and technology commission and Xiamen municipal government decided to jointly set up the Xiamen Torch High Technology Industry Development Zone to develop the electronic information industry.

Jiangsu PLA Commander Examines Conscription

OW11054491 Nanjing Jiangsu Provincial Service in
Mandarin 1015 GMT 18 Nov 91

[From the "News" program]

[Text] Major General Zhang Zhaoxun, member of the Standing Committee of the provincial party committee and commander of the Jiangsu Military District, recently inspected this winter's conscription work in three counties and four districts in Lianyungang City. During the inspection, he said: Conscription is serious political work. Medical personnel should strictly conduct the physical examination to ensure that new recruits are up to standard. The staff at the conscription organizations at various levels should work strictly in accordance with the conscription order and ensure good work ethics.

He also set specific demands for ensuring the sound political quality of new recruits.

Pudong Automotive Technological Center Planned

OW1511115091 Shanghai People's Radio Network
in Mandarin 2300 GMT 13 Nov 91

[By correspondent Zhang Xianlu and reporter Chen Zhuzhi; from the "Morning News" program]

[Text] The Shanghai Automotive Industry Corporation has decided to invest 100 million yuan to build a modern technological center for the automotive industry in the Jinqiao Export Processing Zone in Pudong.

Thanks to technological importation and transformation during the Seventh Five-Year Plan, the Shanghai Automotive Industry Corporation has formed four major production lines that put out such vehicles as Sangtana sedans, Xingfu motorcycles, Weibu [words indistinct], and Fiat tractors, and has enjoyed good economic and social returns. Its next goal is to achieve the capabilities of batch production and developing new products.

The Shanghai Technological Center for Automotive Industry will have a total area of 10,000 sq m and will encompass a simulated highway laboratory, automobile performance testing ground, automobile designing and mould-making facility, and a computer center. All projects involved will be open to international bidding. Upon completion in 1993, the center will be equipped with advanced international technology and capable of developing and testing sedans.

Currently, there are a number of automotive industrial enterprises in the New Pudong Area, including the Shanghai Automotive Chassis Plant.

Central-South Region

Second Guangdong Joint Venture Oilfield Opens

OW1511215691 Beijing XINHUA in English
1456 GMT 15 Nov 91

[Text] Beijing, November 15 (XINHUA)—The Huizhou 26-1 oilfield, a Sino-foreign cooperative venture, which is located in the the South China Sea went into operation earlier this week.

The oilfield, which is 237 kilometers southeast of Guangzhou, the capital of south China's Guangdong Province, is the second commercial offshore oilfield jointly developed by the Nanhai Eastern Petroleum Corporation, a subsidiary of the China National Offshore Oil Corporation (CNOOC), and the Act Operations Group.

The Act Operations Group was formed by Agip Overseas Ltd of Italy, Chevron Overseas Petroleum Ltd of the U.S., and Texaco Petroleum Maatschappij B.V. of the Netherlands.

This oilfield was formed in part from the Huizhou 21-1 oilfield which began operation last September.

The 20 wells which makeup the Huizhou 26-1 oilfield have an annual production capacity of 1.5 million tons, and both oilfields—the Huizhou 21-2 and 26-1—are together capable of producing over 2.5 million tons of oil per year.

International oil experts say that the "South China Sea's Huizhou light oil" is of extremely high quality.

Development of the Huizhou 26-1 oilfield was completed within one year—a record completion date for any such oilfield in China.

Shantou Special Economic Zone Exports Products

OW181'083791 Beijing XINHUA in English
0819 GMT 18 Nov 91

[Text] Shantou, China, November 18 (XINHUA)—Since 1987, more than 70 percent of the industrial products of China's Shantou Special Economic Zone in Guangdong Province and 80 percent of the products produced by its joint, cooperative and solely foreign-funded ventures, go abroad.

Both quotas are number one in China.

Shantou, which was opened comparatively late among China's five special economic zones, has a weak base of foreign trade. However, it has initially formed an export-oriented structure by devising both administrative and economic methods to support the import industry through export industry and to advance the latter through the former.

While China is bogged in the shortage of foreign trade funds and facing a sluggish market in the latest years, Shantou actively readjusted itself to the changing situation and guaranteed the sustained growth rate of both export and foreign currency.

At present, Shantou has nearly 1,000 export items including garments, medicine, machinery and electrical products, food, ceramics, and plastic products. Its products are exported directly to more than 30 countries and regions including Indonesia, Iran and Morocco.

Guangxi Secretary, Chairman Visit Trade Fair

HK2011043891 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 19 Nov 91

[Excerpts] A nine-day commodity trade fair, simultaneously held with the National Ethnic Minority Sports Meet, concluded 17 November, with its total business volume rocketing to 3.18 billion yuan. [passage omitted]

The trade fair was both the largest and the most successful one ever held in our region. Its total volume of domestic trade transactions reached 2.05 billion yuan while its total volume of import and export foreign trade transactions reached \$ 211.57 million, thus setting a new record in our regional foreign trade history.

The trade fair also approved a total of 55 economic and technological projects using foreign funds, involving a total investment of 406.78 million yuan, of which foreign investment takes up \$42.09 million.

The sales volume of the commodity retail street topped 3.8 million yuan in a 10-day period. [passage omitted]

On 18 November, regional leaders Zhao Fulin and Cheng Kejie went to meet and express their appreciation to all the trade fair staff members. They spoke highly of the trade fair and praised it as an excellent economic performance. They also expressed the hope that various departments concerned will conscientiously sum up the trade fair work to accumulate experiences for invigorating the regional commodity circulation and prospering the Guangxi economy.

The trade fair also elected a number of advanced participating units, including Yulin, Nanning, and Baise Prefectures; Liuzhou and Nanning Cities; and others. [passage omitted]

Guangxi Bids Farewell to Jiangxi Secretary

HK2011080291 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 19 Nov 91

[Text] Today, amid a loud and passionate farewell of Zhuang Nationality folk songs and the good wishes of the Guangxi people, sports delegations totalling more than 800 from Tibet, Inner Mongolia, Xinjiang, Guizhou, Sichuan, Yunnan, Fujian, Shaanxi, Jiangxi, and other provinces and regions which had participated in the recent National Ethnic Minorities Sports Meet, left Nanning by train.

Among those who left Nanning by train today were: Yang Jingren, vice chairman of the Chinese People's Political Consultative Conference National Committee, Zhang Shuguang, member of the Central Advisory Committee, and Fu Yuantian, our region's former vice chairman and secretary of the Jiangxi CPC Committee.

When interviewed by reporters before boarding the train, Comrade Fu Yuantian said: The recent National Ethnic Minorities Sports Meet was a complete success. It has strengthened relations among various nationalities and further enhanced the unifying force of our socialist motherland. He wished Guangxi prosperity and continued development and the Guangxi people a better life.

Regional Vice Chairman Li Zhenqian and the persons in charge of the departments concerned went to the railroad station to see them off.

Henan Secretary, Governor Attend Poverty Meeting

HK1911073391 Zhengzhou Henan People's Radio
Network in Mandarin 2300 GMT 17 Nov 91

[Excerpts] From 15 to 16 November, provincial party Secretary Hou Zongbin, Governor Li Changchun, and Vice Governor Song Zhaosu, together with the leaders of

over 20 provincial departments and bureaus, went to Xinyang and held an on-the-spot work meeting. Those attending the meeting listened to Xinyang prefectural party committee and administrative office members brief them on the developments of the support for the poor and family planning in Xinyang Prefecture during the Seventh Five-Year Plan period, as well as the general plan for economic development and the major tasks to be accomplished during the Eighth Five-Year Plan period. [passage omitted]

Provincial Secretary Hou Zongbin and Governor Li Changchun gave important speeches.

Li Changchun said: This is another on-the-spot work meeting held by the provincial party committee and government in Xinyang after the 2 August on-the-spot work meeting for disaster-fighting and rescue operation here. The purpose is to further implement the provincial committee's guideline of "rescuing, supporting the poor, recovering, and developing"; summing up the work on supporting the poor and family planning in Xinyang Prefecture in recent years; furthering the effort to sort out the plans for economic and social development in Xinyang Prefecture; and speeding up Xinyang's economic recovery and process of ending poverty and becoming rich. [passage omitted]

Provincial Secretary Hou Zongbin made a speech on further liberating the mind and concentrating energies on economic development. [passage omitted]

During the meeting, Hou Zongbin, Li Changchun, Song Zhaosu, and the comrades in charge of various departments and bureaus went to the work sites for harnessing the Huai He in Huangchuan and Gushi and joined the masses in their labor.

Hunan People's Congress Makes Appointments

HK1911071891 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 17 Nov 91

[Text] The 25th session of the seventh provincial people's congress standing committee ended on the afternoon of 17 November. Huang Daoqi, vice chairman of the standing committee, presided over the session.

At the session, the "Hunan Provincial Regulations for Encouraging Foreign Investors" and a number of stipulations regarding [words indistinct] were voted through, and the regulations for public security work in state organs, groups, enterprises, and institutions in Changsha were also approved.

The session also passed some relevant appointments and removed some officials from office. It resolved to: Remove (Long Yutian) and appoint (Song Yugui) as chairman of the provincial education commission; remove (You Pei) and appoint (Sun Hanyou) as director of the provincial public health department; remove (Wang Changjin) and appoint (Liu Huifang) as director of the provincial textile industry department; remove

(Duanmu Chengke) and (Wang Xiufang) as directors of the provincial industrial and commercial administration bureau; and appoint (Tong Jisi) as vice chairman of the provincial people's congress nationalities and Overseas Chinese committee.

Liu Fusheng, chairman of the provincial people's congress standing committee; and Li Tiangeng, Luo Qiuyue, Chen Xinmin, Xie Xinying, Liu Yue, Wu Yunchang, and (Pan Jijin), vice chairmen, attended the session. Vice Governor Chu Bo was present as a nonvoting delegate.

Hubei To Launch Campaign Against Pornography

HK2011062291 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 17 Nov 91

[Text] The provincial work team for rectifying and screening books, newspapers, magazines, and audio-visual products held a meeting on 14 November, and presented a clearly defined plan for concentrated efforts to check the calendar and new-year pinup markets in the next phase and sternly punish those engaged in unlawful publication.

The meeting fully affirmed our province's achievements in recent antipornography work and pointed out that the books, magazines, and audio-visual products that exhibit vulgar taste and include revolting visual effects have shown signs of revival, and unlawful publication has been on the rise. The offenders have used such developed methods as blatantly faking approval papers and other appropriate documents issued by the press administration authorities and official publishing units. They also have been fabricating the copyright records on the publications. The contents of these publications have also evolved from mere lowliness and vulgarity to obscenity and reactionaryism.

The meeting pointed out the need to further understand the destruction and harm unlawful publication inflicts on stability and unity and urged various localities to launch a full-scale campaign against unlawful publications and concentrate on screening warehouses, restaurants, vehicles, traffic stations, and piers. In the coming winter and spring, it is necessary to make a good job of the annual selection in printing houses to stop the sources of unlawful publications and restrict publication channels to Xinhua bookstores, classics bookstores, publishers, journal publishers, and post offices. In the meantime, it is also necessary to strengthen leadership and step up efforts to handle major and important cases to avoid such problems as weak handling, substituting monetary penalty for criminal punishment, letting crimes go, or giving light punishment to serious crimes.

Southwest Region

Guizhou Secretary Joins in Voluntary Labor

HK2011051791 Guiyang Guizhou People's Radio Network in Mandarin 2300 GMT 14 Nov 91

[Excerpts] Yesterday, more than 500 cadres from various provincial, and Guiyang City's, party and government organs participated in voluntary labor on a water

conservancy project construction site in Wugan District, Guiyang City. [passage omitted]

At 0800 yesterday morning, led by provincial party committee Secretary Liu Zhengwei, Vice Governor Zhang Shukui, provincial military district commander Zhu Qi, and other leading comrades, more than 500 office cadres arrived at the construction site after travelling over 30 km. [passage omitted]

On the construction site, Liu Zhengwei told reporters: Water conservancy is the lifeblood of both agriculture and the entire national economy and constitutes an important aspect of farmland capital construction. We must do our utmost to successfully build this basic project. The provincial party committee and government have already arranged for building water conservancy projects on some 0.5 million mu of farmland this winter and next spring [words indistinct] and for repairing reservoirs in specified areas with a view to enabling them to yield economic results as soon as possible.

Liu Zhengwei noted: In carrying out farmland capital construction, we must proceed from Guizhou's realities; take a road characterized by comprehensive harnessing of mountains, rivers, and forests, and fields; and strive to achieve quicker and better results by making less investment.

When interviewed by reporters, Vice Governor Zhang Shukui stressed: All levels must further increase input in water conservancy, raise funds through all channels, and build more water conservancy projects. [passage omitted]

Also participating in labor on the water conservancy project construction site yesterday were: Liu Hanzhen, provincial party committee standing committee member and provincial discipline inspection commission secretary; Wang Siqi, provincial party committee standing committee member and secretary general; Song Shugong and Meng Sufen, provincial Chinese People's Political Consultative Conference committee vice chairmen; Li Wanlu, secretary of the Guiyang City Party Committee; and others.

Sichuan Secretary on Comprehensive Rural Reform

*HK2011093591 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 18 Nov 91*

[Text] Yesterday, provincial party committee Secretary Yang Rudai delivered an important speech on further emancipating minds, enhancing confidence in reform, and persistently deepening comprehensive rural reform experiments at the provincial conference on work concerning comprehensive rural structural reform experiments in selected counties.

Yang Rudai pointed out: In the new situation, our general requirements for comprehensive rural reform can be boiled down to: Persisting in and successfully furthering comprehensive rural reform; speeding up reform experiment pace in selected areas and making

continued progress in this respect; creating new experiences for guiding and pushing forward the provincewide rural reform.

Yang Rudai's speech primarily focused on the following aspects:

1. To clearly view the situation, heighten understanding, and strengthen a sense of urgency in the reform.

Yang said: Practice has proven: Whenever we successfully adhere to reform and opening up, we are able to expedite our economic development. Areas that make major reform-related breakthroughs or enjoy a faster reform pace are always capable of taking the lead in embarking on the road leading to prosperity. Guangan County, Xindu County, and some other counties which have witnessed faster economic development are true successful models emerging in the reform.

Yang continued: Deepening reform is a fundamental way to consolidate, perfect, and develop the socialist system. Our cadres at all levels must try to understand the strategic significance of further consolidating and expanding reform achievements and deepening rural reform with the high goal of adhering to the socialist road, preventing peaceful evolution, and consolidating and developing the socialist system.

2. To sum up experiences, strengthen confidence, and strive to push forward the in-depth rural reform.

Yang pointed out: Our province's rural reform must aim to promote modernization and commodity economy development in the rural areas. To this end, we must gear our in-depth reform to tackling both outstanding problems and structural defects retarding commodity economy development, concentrate our efforts on resolving key problems and grasping key links, make persistent efforts to stabilize the contract responsibility system on household basis with remuneration linked to output, perfect the two-level operational structure combining centralization and decentralization, actively develop a socialized agricultural service system, gradually expand the collective economy, further readjust the rural industrial structure, quicken the circulation structural reform pace, and foster a market mechanism in accordance with the principle of ensuring steady grain output increase, actively developing diversified economy, and vigorously developing township and town enterprises with a view to furthering the transformation of the rural economy into a relatively large-scale commodity economy and guiding the broad masses of peasants to embark on the road leading to common prosperity.

Comrade Yang Rudai concluded his speech by putting forth several views and demands on how to strengthen leadership over comprehensive rural reform experiments in a down-to-earth manner in selected areas.

More Ancient Tibetan Literal Works Recovered*OW1911035791 Beijing XINHUA in English
0205 GMT 19 Nov 91*

[Text] Xining, November 19 (XINHUA)—Tibetan Buddhist monks and laymen have joined Chinese experts in an effort to recover numerous ancient Tibetan literary works in the Tibet Autonomous Region and Qinghai, as well as in Sichuan, Gansu and Yunnan Provinces.

Over the past five years, more than 4,600 ancient books, 1,330 tombstone inscriptions and Buddhist paintings, as well as 153,000 sculptured wood-plates have been found.

In addition, over 100 valuable ancient Tibetan books have been published.

Since the seventh century, when Tibetan characters were created, the Tibetans have recorded remarkable achievements in a number of fields, including philosophy, history, literature, arts, architecture, medicine, music, astronomy, calendars and mathematics.

The Tibetan culture, an indispensable part of the Chinese culture, has been spread across the country through numerous Tibetan literary works.

North Region**Li Ximing Attends Young Pioneers Congress***SK1411032691 Beijing BEIJING RIBAO in Chinese
12 Oct 91 p 1*

[Excerpts] The Young Pioneers were singing loudly and clearly to the accompaniment of drums as the second congress of the Beijing Municipal work committee of the All-China Young Pioneers was held at Ditan gymnasium on the morning of 11 October. Three hundred and thirteen Young Pioneers and Young Pioneers workers gathered to review the municipality's Young Pioneers work and to look forward to their good prospects.

Some municipal leaders, including Li Ximing, Li Zhijian, Zhang Dazhong, and Tao Xiping attended the opening ceremony. [passage omitted]

Li Ximing, secretary of the municipal party committee, made a speech at the opening ceremony. He said: The Young Pioneers are the future of the motherland, and the future of socialism belongs to you. Although you are young, your burden is very heavy. In the 21st century you will enter society, take jobs, and encounter difficulties and complicated struggles as you pioneer socialist roads. I hope that you will foster lofty ideals, obey the party, be good children of the party, withstand all difficult trials, and be constructors and successors to the socialist and communist causes, having both the ability and the political integrity to meet the motherland's needs.

Li Ximing pointed out that the party as a whole should pay attention to the work for children, and the whole society should be concerned with children. He hoped that Young

Pioneers instructors and the vast number of Young Pioneers workers will have a strong sense of political responsibility, truly love the Young Pioneers, work their hearts out, and make selfless sacrifice to ensure the healthy growth of the children. [passage omitted]

The congress also heard and discussed the work report of the municipal work committee of the All-China Young Pioneers, released the motions set forth by representatives of the Young Pioneers, and elected a new work committee and a new federation of Young Pioneers.

Li Ximing Visits Teachers, Praises Efforts*SK0911130791 Beijing BEIJING RIBAO
in Chinese 11 Sep 91 p 1*

[By reporter Sun Ying (1327 3841) and trainee Li Xuemei (2621 1331 2734): "Municipal Leaders Travel to Outer Suburbs To Extend Regards to Teachers"]

[Text] Yesterday was Teachers Day. Municipal leaders Li Ximing, Li Qiyang, Wang Jialiu, Wang Guang, Yuan Liben, Xia Qinlin, He Luli, Zhang Mingyi, Ouyang Wenan, and Tao Xiping visited 10 outer suburban districts and counties in the municipality to give their regards to the broad masses of hardworking teachers and workers on the educational front. They extended festive greetings to 170,000 teachers across the municipality.

Li Ximing, secretary of the municipal party committee, traveled to Yanqing County on the outskirts of Beijing to give their regards to primary and middle school teachers and educational workers throughout the county. He emphatically pointed out: The educational development of outer suburban districts and counties must serve reality and train more versatile personnel to develop the local economy.

In the municipality, Li Ximing held a meeting with the faculty from a middle school in Zhangshanying, a town on the northwestern border of Hebei Province; representatives of outstanding teachers throughout the county; and responsible persons of some schools. Li Ximing said: To uphold the party's basic line and push the economy forward, we must rely on scientific and technological progress and educational development and raise the quality of laborers. Since the 10 years of reform and opening up, our suburban districts and counties have witnessed gratifying progress in education. Party and government leaders at all levels and all social sectors have paid greater attention to education, spared no efforts to make investments, and realistically attached importance to education. In view of the changing international situation, we must greatly develop our comprehensive national strength and educational undertakings to puncture the conspiracy of peaceful evolution hatched by the international hostile forces.

Li Ximing said: Education in the mountainous areas must be conducted in line with local reality and economic development needs. We must actively run vocational middle schools, enable more junior middle graduates to return to the rural areas after receiving vocational

education, and contribute to building and developing the new countryside. Teachers and educational workers in the mountainous areas are hard working, and some of their local conditions are very poor. It is hoped that the broad masses of teachers and educational workers in the mountainous areas would overcome difficulties, unceasingly enhance their political and professional qualities, and impart knowledge to and educate the people in a better way. Efforts should be made to continuously study Comrade Jiang Zemin's "1 July" speech and implement the spirit of this speech in our practical work.

Li Ximing also visited Yanqing Middle School and Yanqing Experimental Primary School to meet with teachers. While visiting the school libraries and reading rooms, he said: School libraries should obtain more quality textbooks and magazines for the students and eliminate all unhealthy ones. Some novels from the 1950's and 1960's are good for developing the young people's outlook on life. Students should be urged to read more books like this.

The municipal party committee and government leaders who went to the suburban districts and counties to give their regards to the teachers brought with them the support of the party and government's support for educational undertakings and their concern for teachers who have been working hard on rural educational and teaching. They also gave the school teachers and students several articles essential for teaching and living.

Li Ximing at Meeting To Commend Teachers

SK1011144691 Beijing BEIJING RIBAO
in Chinese 10 Sep 91 p 1

[By Reporter Sun Ying (1327 3841): "Beijing Municipality Commends Outstanding Teachers at Ceremony"]

[Text] On 9 September the municipal party committee and the municipal government held a meeting to commend outstanding teachers and to mark the seventh Teachers Day. A total of 1,474 outstanding teachers and outstanding educational workers and 282 outstanding young teachers, each wearing a big red flower on his chest, happily gathered at the Great Hall of the People. Li Ximing, secretary of the municipal party committee, issued certificates of honor to the outstanding teachers. Young Pioneers presented fresh flowers to the teachers who have painstakingly tried to educate them.

Present at the meeting were some municipal leading comrades, including Zhao Pengfei, Bai Jiefu, Wang Jialiu, Xia Qinlin, Tao Dayong, Lu Yucheng, Li Chen, Mei Xiangming, Tie Ying, and Tao Xiping. Zhu Kaixuan, vice chairman of the State Education Commission, attended and addressed the meeting. The outstanding teachers, cadres, staff, and educational workers who were commended have made outstanding achievements in teaching and school management. Managerial personnel in educational and administrative departments were also commended. Most of them are teachers in the educational and teaching front lines.

Li Ximing, secretary of the municipal party committee, made an important speech at the meeting. He first extended greetings and respects to the outstanding teachers who were commended and then extended greetings to teachers and educational workers across the municipality.

Li Ximing said: Education is extremely important work as well as being important in cultivating hundreds of millions of successors to socialism. Since the implementation of the reform and opening up policy, we have made great achievements in developing education and educational reform. From now on, we must completely and accurately implement the basic line of the party, persistently take economic construction as a key link, adhere to the four cardinal principles, and persistently conduct reform and open the country to the outside world so as to promote the economic construction and to realize the second-step strategic goal. Simultaneously, we must rely on science and technology and develop and grasp education.

Li Ximing pointed out: Schools must persist in Marxism-Leninism-Mao Zedong Thought to educate their students. Imparting knowledge and educating people is a teacher's fundamental duty. In imparting knowledge and educating people, the broad masses of teachers should implement the party's policies on education, set a good example to educate youngsters and to help them foster the proletariat world outlook and the proletariat outlook on life, and resolutely resist the corrosive influence of various declining bourgeois ideologies over the youngsters. Teachers have a grave responsibility. Party and government leaders at various levels should further care for teachers, pay particular attention to the progress and maturity of young teachers, and strive to improve their working and living conditions.

Li Ximing stressed: Educating the students in modern Chinese history and the national situation is a requirement set by Comrade Jiang Zemin on the educational front. The broad masses of teachers and educational workers should conscientiously implement Comrade Jiang Zemin's instructions; regard educating students in modern history and national education as their unshirkable strategic task; educate students unswervingly and solidly; help the youngsters upgrade their sense of national respect, national confidence, and national pride; and help them firmly take the socialist road.

He said: The fundamental way for education is reform. We should further deepen reform of the school management system and further raise teachers' socialist enthusiasm. Meanwhile, the vast number of teachers should engage in reform of educational thinking, educational content, and educational methods; stress socialist practice; overcome the situation in which the educational work is, to varying degrees, divorced from reality; and comprehensively upgrade educational and teaching quality.

Li Ximing concluded: The broad masses of teachers and educational workers should continue to conscientiously study Comrade Jiang Zemin's 1 July speech, and realistically implement the guidelines of the speech in the course of doing the work.

At the meeting Vice Mayor Lu Yucheng announced the 10 concrete deeds for developing education done by the municipal party committee and the municipal government in 1991.

Seven outstanding teachers made speeches at the meeting.

Xing Chongzhi Talks With College Students

SK0911100391 Shijiazhuang HEBEI RIBAO
in Chinese 9 Sep 91 p 1

[By reporter Han Shaojun (7281 4801 0689): "Xing Chongzhi Meets With College Students Who Had Participated in the 'Following the Party's Footsteps' Campaign"]

[Excerpts] The Hebei Teachers Training College campus was bustling with noise and excitement on 6 September. Most of the students who had participated in the "following the party's footsteps" campaign were discussing some of the speeches and had strong feelings about them. [passage omitted]

On the morning of 6 September, Xing Chongzhi, secretary of the provincial party committee, joined the students and listened attentively to their experiences of participating in social practice. [passage omitted]

Xing Chongzhi was affected by the students' enthusiasm. He said: "You are the descendants of the sacrificed martyrs, but you are also the forerunners of your descendants. Our happy lives were created by the elder generation's sweat and toil, so your generation has happiness and is also doing pioneering work. We should grow trees from one generation to the next to keep the socialist cause full of promise."

The students also talked about their experiences in and feelings about living and working with the people on the channel repair and dike construction sites. After hearing this, Xing Chongzhi said: "The people put great expectations on you. We should persistently integrate with the masses of workers and peasants, ceaselessly pioneer channels for engaging in social practice, emulate the masses of workers and peasants' spirit of waging an arduous struggle and selfless sacrifices, and foster a good habit and work style of being diligent and eager to learn. After graduation, you will be teachers, and you should then pass on these good work styles to the younger generation." [passage omitted]

After hearing the students' speeches, Xing Chongzhi said excitedly: "This is a class on revolutionary traditions as well as on socialist ideology. Summer vacation was short, but the tests and the duty ahead of us are arduous and will be long. We should start working today to understand the history of yesterday. We should consolidate and carry forward the achievements in social practice so as to ensure that each and every college graduate is a qualified successor who ardently loves the party and socialism as well as a strong fighter in the forward position of opposing peaceful evolution."

Wang Qun Inspects Togtoh County 1-2 Oct

SK1911020691 Hohhot NEIMENGGU RIBAO
in Chinese 5 Oct 91 p 1

[By reporter Guo Yu (6753 6877) and correspondent Fang Guizai (5400 6311 0961): "Continue to Emancipate Minds, Do a Good Job in Reforms, Fully Display Advantages, and Accelerate Economic Development"]

[Text] Wang Qun, secretary of the regional party committee, and Liu Yunshan, Chen Kuiyuan, and other regional leading comrades went to Togtoh County and Jungar Oilfield on 1 and 2 October to give their regards to the masses of cadres and to investigate and study there.

Comrade Wang Qun held a forum with members of the four major leading bodies in Togtoh County. After fully affirming this county's work achievements, he pointed out: A county's work, whether good or bad, is determined by the situation of its leading bodies. Comrade Mao Zedong once said that cadres were the decisive factor. The third plenary session of the 11th party Central Committee has already formulated a correct line for us. The masses are of high quality and are eager to follow the party's correct line to reach common prosperity. As long as we act like Togtoh County and have a leading institution that has ideals, working enthusiasm and realistic spirit, the masses will follow the examples of the leading bodies, and a new situation will surely emerge through the work.

Comrade Wang Qun stressed: It is necessary to dare to fully understand the favorable conditions of one's own locality and to be good at fully using these favorable conditions to accelerate the pace of development; if conditions are not favorable, we must actively create ones that are. Togtoh County has made rapid progress over the last few years, and this is an important reason behind its achievements. To encourage the emancipation of minds, we must understand the favorable conditions and the objective law and have the courage to seek truth from facts and proceed from reality. It is not realistic to fail to accelerate at the pace with which we can make achievements. As long as we emancipate minds, make full use of favorable conditions, and strive to create the conditions that we do not have, it is certainly possible for Inner Mongolia to see more rapid development.

Comrade Wang Qun stressed: In order to reform and open the region to the outside world, we must have strategic foresight and an enlightened attitude, be the first to allow the counterpart to keep a bigger share of profits, and keep a proper share for ourselves. Only in this way can we promote opening up, be able to use the favorable conditions of other localities, and have trained personnel, funds, markets, and information at our disposal. If we are cheap and shortsighted, no one will want to cooperate with us. Comrade Wang Qun also said: Reforms, opening up, and changing concepts require leaders to study and have a good command of the market, using market trends as a guide. The law of market economy is to select the superior and eliminate

the inferior. "Superior" means high quality but inexpensive. The market law also manifests the people's needs. Anyone who goes against this law will be defeated.

Comrade Wang Qun stressed time and again that efforts should be made to do a good job in building the agricultural foundation. To engage in agriculture, we must not allow ourselves to be at the mercy of the elements. Instead, we should be determined to, and make utmost efforts to, build stable- and high-yield fields despite drought and waterlogging.

After listening to briefings for leading comrades of the Jungar Coal Industrial Company and other leading comrades, Comrade Wang Qun pointed out: We are facing the arduous task of opposing and resisting "peaceful evolution." The crucial issues involved are how to do our work well and push the economy forward. This affects the country's future and destiny. Energy development and construction is the state's strategic priority. Comrades of the Jungar Coal Industrial Company and builders of Jungar Coal Mine are shouldering glorious yet arduous tasks. Fulfilling the coal field tasks means making major contributions to the state. This point must be publicized repeatedly among all cadres and workers so that all of them will foster and enhance their sense of honor, mission, responsibility, and urgency. Comrade Wang Qun said: The leading bodies of the Jungar Coal Industrial Company came from all parts of the country, but they are nevertheless united as one to undertake the formidable task of attaining a common goal. He hoped that leading bodies of this company would rely on all workers wholeheartedly and, in addition to creating top-grade and best quality projects, would also build a contingent of workers who are able to pass the stiffest test and nurture a batch of brave, dauntless, and competent successors loyal to the party and socialism.

Comrade Wang Qun proposed efforts be made to further promote an enterprising spirit and hardworking work style. He said: Objective difficulties exist. It is impossible to advance our cause without overcoming difficulties. We must overcome them and change the difficult situation; by no means should we feel helpless, yield to difficulties, or even retreat. We should promote the spirit of getting to work if conditions are right; if they are not right, we should create conditions that are and accelerate the construction progress.

Tan Shaowen Attends Teacher's Rally in Tianjin

SK1911022991 Tianjin TIANJIN RIBAO
in Chinese 8 Sep 91 p 1

[Text] On the morning of 7 September, the Tianjin Municipal rally to celebrate the teachers' day and to commend outstanding teachers and educational workers from party schools was held at the party school under the municipal party committee.

Attending the rally were Tan Shaowen, secretary of the municipal party committee and president of the party school under the municipal party committee; and Huang Yanzhi, Standing Committee member of the municipal

party committee and director of the propaganda and ideological work leading group under the municipal party committee.

Entrusted by Comrade Tan Shaowen, Huang Yanzhi spoke at the rally. On behalf of the municipal party committee, he first extended festive greetings and cordial regards to the teachers who are likened to gardeners working hard on the fertile land of party school education.

To better implement the guidelines of the central authorities' "circular on strengthening the party school work," Huang Yanzhi stressed four opinions in line with the reality of the municipality's party school work. The first opinion is to clearly understand the current situation and the historical mission and to enhance the understanding of the importance and urgency of opposing peaceful evolution. In light of the new situation, party schools at all levels should conduct in an even better manner the education on Marxist theory among cadres, leading cadres at all levels in particular throughout the municipality in arming all party cadres with Marxist theory. At the same time, party schools at all levels should pay attention to researching and disseminating Marxism. The second opinion is to conduct education and training on party spirit among students. All activities of party schools should be focused on party spirit training, and should be conducted by closely combining the Marxist theory education with the party spirit training of cadres. Regarding it as a required course of party schools, the party spirit education should be carried out in the whole study process of students. These are the most essential characteristics of party school education, and is also an important link to improve the quality of cadres. The third opinion is to build party schools into an important position to train and create tens of millions of successors to the socialist cause. This century's last decade is the critical period of our country's economic development as well as a key period for the succession of new cadres replacing old cadres. Those middle-aged and young cadres who have accepted leading posts over the past few years are urgently required to effect a relatively big improvement in their understanding of Marxism, in their accomplishing party spirit, and in their practical work ability so as to ensure that party and state leadership at all levels will be firmly grasped in the hands of the people loyal to Marxism. Party schools at all levels should regard the training of young and excellent party and government leading cadres as a task of strategic importance. The fourth opinion is to strengthen the building of the ranks of party school teachers. Party schools at all levels should actually strengthen the building of the ranks of party school teachers in line with the demands set by the central authorities on party schools, and with the principles of maintaining relative stability, laying emphasis on improvement, and optimizing organization to improve teachers' political and professional expertise. Party schools should strengthen the training of teachers and should appropriately fill the ranks of teachers with cadres having practical experience in leadership work, having a relatively high level of theoretical understanding, and having a relatively strong political awareness. The practical difficulties in teachers' work and livelihood should be solved in an active and proper manner.

The fifth opinion is to make party committees at all levels strengthen leadership over the party school work. Implementation of the central authorities' "circular on strengthening the party school work" is not only the matter of party schools at all levels, but also an important component of the work of the whole party. Therefore, party committees at all levels are duty-bound to exercise direct leadership over party schools, should frequently take an interest in the party school work, and should specially discuss the party school work on several occasions each year. Party committees should also guide and help party schools to solve their problems in a timely manner. Organizational departments, propaganda departments, and party schools at all levels should closely cooperate with one another to commonly achieve success in training cadres.

At the rally, commendation and certificates of honor were given to 105 outstanding teachers and educational workers.

Tan Shaowen Addresses Teachers' Day Meeting

SK2011071391 Tianjin TIA'JIN RIBAO in Chinese
10 Sep 91 pp 1-2

[By reporters Zhang Wensheng (1728 2429 3932) and Zhang Yi (1728 3584) "Our Municipality Holds Meeting To Mark Teachers' Day"]

[Text] On the eve of teachers' day, the municipal cadres' club was decorated with colored flags and filled with a joyful festive atmosphere, where a meeting sponsored by the municipal authorities to mark teachers' day and commend outstanding teachers and educational workers ceremoniously opened on the afternoon of 9 September. Entering the meeting hall before the opening ceremony amid the sounds of young pioneers' drums and bugles were the representatives of outstanding teachers and educational workers, wearing large red flowers on their chests, and representatives of teachers, staff members, and workers of various schools at all levels. Leading comrades from municipal level organs, including Tan Shaowen, Wu Zhen, Zhang Zaiwang, Wang Chenghuai, Li Yuan, Yang Jianbai, Qian Qiao, Yang Hui, and Fang Fengyou; and veteran comrades, including Bai Hua also attended the meeting.

Vice Mayor Qian Qiao presided over the meeting and Wang Chenghuai, a member of the municipal party standing committee, delivered a report in which he briefed the participants on the work of selecting and appraising outstanding teachers and educational workers. In line with the appraisal regulations and by strictly enforcing the democratic procedure, the municipality elected more than 13,000 outstanding teachers and educational workers through recommendations of units at all levels. The working personnel of the meeting first announced the names of outstanding teachers and educational workers who had been commended at the meeting, including eight national level labor models on the education front, 61 national level outstanding teachers and educational workers, and 588 municipal level outstanding teachers and educational workers. At

the meeting, the municipality's leading comrades conferred honorary certificates and medals on these outstanding teachers and workers.

During the meeting, Tan Shaowen, secretary of the municipal party committee, delivered a speech in which he, on behalf of the municipal party committee, the municipal People's Congress Standing Committee, the municipal people's government, and the municipal Chinese People's Political Consultative Conference [CPPCC] Committee, first extended warm congratulations to all participating comrades and cordial regards to all teachers, staff members, and workers of various schools and kindergartens at all levels, who are industriously working on the education front. Then, he reviewed in his speech the achievements the municipality has made in its education work over the past year, saying that, over the past year, our municipality had achieved new progress and development in educational undertakings. The moral education has been generally valued, the ideological and political work has been enhanced, and a large number of precious experiences have been explored and accumulated. The work of enhancing the building of the teachers' contingent and of deepening educational reform as well as teaching and scientific research work have been improved. The quality of education has been steadily upgraded. The campus order has been fine, and the broad masses of teachers, students, staff members, and workers have displayed a positive attitude. The morale of respecting teachers and education has become increasingly strong, the investment in education has continuously increased, various social circles have supported education, and the school operating conditions in both urban and rural areas have been further improved. The consciousness of having education closely rely on the economy and serve the economy has obviously been enhanced. The municipal education front has also made new progress in promoting scientific and technological progress and improving worker quality. All achievements scored by the municipal education front cannot be separated from the industrious labor work done by the broad masses of teachers. Many respectable advanced and model personalities have emerged among the broad masses of teachers and educational workers because they have worked selflessly in their posts and have made selfless contributions. The 69 national level labor models on the education front and national level outstanding teachers and educational workers, as well as the 588 municipal level outstanding teachers and educational workers, are just the prominent representatives of these personalities. It is hoped that these comrades will treasure their honor, develop their achievements, make sustained efforts, and make still greater contributions to the future work. It is also hoped that all comrades on the education front should regard the advanced personages as an example, learn from them for their good thinking and work style, further heighten their spirit, make concerted efforts, and continuously boost educational undertakings throughout the municipality.

Tan Shaowen also said in his speech that we should regard education as a foundation when implementing the 100-year plan. Education is an extremely important basic project in building socialist material and spiritual civilizations. The

education front is very important, as is assuming the historically heavy responsibilities of upgrading the quality of the people as a whole in ideology, morality, science, and culture and training socialist successors from generation to generation. At present, the country's program of building socialist modernizations has entered a new stage of development. The position and role of education appears more important under the new situation. Tan Shaowen stated that, under the current situation—in which world science and technology have developed in a swift and violent manner and international economic competition is fierce—we can only put economic construction on the track of relying on scientific and technological progress and improving worker quality by attaching great importance to training talented personnel and truly placing education in an important strategic position. The leading personnel of party and government organs at all levels and comrades on the education front should pay sufficient attention to this point.

After analyzing the current situation in his speech, Tan Shaowen stated that the changeable international situation and the heavy and arduous domestic tasks had brought greater demands to our education front. Comrades on the education front should further unify their thinking, clearly discern the situation, heighten their spirit, and vigorously make a success in educational undertakings. The educational institutions of various categories and at all levels should further straighten the guiding ideology of operating schools and place the work of upholding the correct political orientation on the first position. Efforts should be made to vigorously implement the educational guidelines formulated by the party and the state; to train socialist builders and successors with overall development in morality, intelligence, and physical fitness; and to serve the modernization program. He continued, saying that, in order to fulfill the heavy task of training talented personnel, it is imperative to bring into full play the enthusiasm of the broad masses of teachers and the guiding role of teachers in the educational program and in teaching. The broad masses of teachers should enhance their sense of honor and mission, have the whole situation in their mind, be based on their own job, and consciously do a good job in conducting the work of training socialist successors. The broad masses of teachers should foster fine professional ethics, strengthen their sense of educating the people, set themselves as an example for the people, and teach students by acting as examples and through verbal instruction. Efforts should be made continuously to deepen the reform in educational systems and to continuously conduct reform in the educational content and teaching methods to upgrade the educational quality in an overall way. Tan Shaowen stated that upgrading the quality of young teachers along with the gradual retirement of some key veteran teachers constitutes a very urgent issue. The administrative departments in education and the school leadership should do a good job in training young teachers by regarding the training as a big event. The broad masses of young teachers should be conscious of the importance of their heavy tasks,

ardently cherish their professional work, and continuously upgrade ideological and political standards and their professional capabilities.

In concluding his speech, Tan Shaowen stated that education is the undertaking taken by the society as a whole. The entire party and society should attach great importance to education, show concern for education, and support education. The entire party and society as well as the education front should make concerted efforts to continuously promote the development of educational undertakings throughout the municipality.

Tan Shaowen Attends Self-Education Meeting

SK2011051091 Tianjin People's Radio in Mandarin
2300 GMT 18 Nov 91

[Text] On 18 November, the municipal Higher Education Examination Guidance Committee for Self-Taught Students held a meeting to mark the 10th anniversary of the implementation of the municipal examination system for self-taught students at the cadres' club to report on the work, to sum up experiences, and to commend the advanced units.

Municipal leaders Tan Shaowen, Zhang Zaiwang, Yang Zhihua, Shi Jian, Qian Qiao, and Zhao Jinsheng; and (Zhang Zhuoping), adviser to the National Higher Education Examination Guidance Committee for Self-Taught Students under the State Education Commission, attended the meeting. Tan Shaowen, secretary of the municipal party committee, wrote an inscription for the meeting: Do a good job in education for self-taught students and raise the quality of workers.

The meeting pointed out: Since the implementation of the education examination system for self-taught students 10 years ago, the municipality has trained all sorts of specialized personnel with both ability and political integrity. During the past 10 years, more than 16,700 people received university diplomas or certificates for specialized courses, and nearly 800 people received secondary specialized school graduation certificates. More than 350,000 certificates for completion of a single course were granted to the people. Examination for self-taught students is attracting thousands upon thousands of persons with ideals to embark on the road of becoming competent through self-education. Over the past 10 years, more than 210,000 people sat for the examinations for self-taught students, accounting for 7.5 percent of the total number of incumbent cadres and workers in the municipality.

At the meeting, five units, including the Tianjin Teachers University, seven districts and counties, such as Nankai District, and nine schools, including the Jiefang North Road Middle School, were named advanced schools, examination districts and examination places for self-taught students. Some comrades, including (Yu Xianhui) were named advanced workers for examinations for self-taught students.

Vice Mayor Qian Qiao addressed the meeting. He pointed out: During the Eighth Five-Year Plan period, in the municipal examination work for self-taught students, we should consciously submit it to and make it serve the needs of the municipal economic construction, readjust and improve the structure of specialized courses, persist in the criterion of educating the people and enabling them to have both ability and political integrity, raise the quality of personnel for selection, and do a good job in maintaining cooperation and contacts between examination for self-taught students and other higher education for adults of the same level, actively explore and broaden the service sphere for the examination for self-taught students, and enable self-taught students to make greater contributions to the municipality's social progress and economic development.

Northeast Region

Sun Weiben Gives Speech on University Anniversary

SK1511072991 Harbin HEILONGJIANG RIBAO
in Chinese 15 Sep 91 p 1,3

[Speech by Sun Weiben, secretary of the provincial party committee, at the Celebration Rally marking the 50th anniversary of the founding of Heilongjiang University on 14 September: "Uphold The Socialist Teaching Orientation and Train Qualified Persons for the Modernization Drive"]

[Text] I am very happy to attend the rally to celebrating the 50th founding anniversary of Heilongjiang University. On behalf of the provincial party committee and the provincial government, let me extend my highest regards and heartfelt congratulations to all Heilongjiang University faculty and students and the alumni working on all fronts and sincere thanks to friends at home and abroad who have maintained close cooperation with Heilongjiang University, provided support, developed friendly contacts, and come here to celebrate the anniversary of this university's founding.

Heilongjiang University has a glorious revolutionary history. As a result of the cordial concern of the older generation's proletarian revolutionaries, this university was founded in the revolutionary sacred place of Yanan. Many party and state leaders once served as leaders of this university. You should always be proud of this. Over the past 50 years, you have inherited and promoted fine revolutionary traditions, trained a group of outstanding personnel for the Anti-Japanese War, the Liberation War, and the cause of socialist construction, and made important contributions to the party and the people. In 1985, to meet the needs of socialist construction, this school expanded from an institute focusing on only one discipline to a comprehensive university. This was the university's major historical turning point. Since the third plenary session of the 11th party Central Committee, Heilongjiang University has vigorously developed and has formed an educational system covering fairly complete branches of learning and with diversified

forms of multilayered and multichanneled teaching. It has achieved prominent progress in the establishment of disciplines and specialized courses, noticeably raised its academic level and status, and extensively developed contacts with the academic circles day after day. It has trained many qualified persons for the socialist modernization drive and has made important contributions to our province's economic and social development.

The new historical period has set higher demands on institutions of higher learning. It is hoped that the broad masses of Heilongjiang University's faculty and students and other institutions of higher learning in our province will realistically do all work well to meet the needs of the development of the times.

1. We should uphold the socialist teaching orientation and train socialist builders and successors.

Institutions of higher learning are shouldering more arduous but glorious tasks now than at any other time. The college students are the generation that straddles the century, the pillar for undertaking the socialist modernization cause, and the hope of our party and country. The training of young students has a vital bearing on whether the revolutionary cause pioneered by the people of various nationalities across the country through bloody battles and untold hardships under the leadership of the party and the proletarian revolutionaries of the older generation can be carried forward and on the future and destiny of the Chinese nation and the socialist cause. This requires institutions of higher learning to train students to become professionally competent and to have a good command of modern scientific and cultural technique, firm and correct political orientation, and a dedicated spirit in the drive for socialist modernization.

Heilongjiang University's practice over the past 50 years shows that strong ideological and political work is the fundamental guarantee for training and bringing up socialist builders and successors who are socialist-minded and vocationally proficient. No matter the circumstances, we must place moral education above all other schoolwork. Attaching primary importance to moral education, we must systematically conduct education on Marxist theory, history, national conditions, patriotism, collectivism, and socialism. This is of decisive significance in increasing young students' capacity to judge and resist all sorts of erroneous trends of thought, oppose peaceful evolution, and establish a correct world outlook, outlook on life, and values.

In the course of conducting this kind of education, we must uphold the principle of combining theory with practice; strengthen practical education; actively encourage students to go deeply into reality to get in touch with workers and peasants; firmly form a correct attitude towards labor, class viewpoint, and historical materialist viewpoint; and follow the road of combining workers, peasants, and the masses. It is necessary to establish the guiding status of Marxism in the teaching of institutions of higher learning and in scientific research and other academic activities, particularly in the philosophic and social sciences spheres.

We must strictly manage schools, cultivate fine socialist university style, influence young students, and nurture them to reach maturity.

2. Education should serve economic and social development, and efforts should be made to fully display the important role schools have in training scientific and technical personnel and in developing science and technology.

Science and technology are the primary productive forces. This is one of the basic Marxist viewpoints. In 1988, in line with the facts of the development of the contemporary age, Comrade Deng Xiaoping further proposed the thesis that science and technology are the primary productive forces. Under the current changing international situation, only by relying on the development of science and technology can we rapidly push the national economy forward, stand any pressure, and enable socialism to become invincible. The party Central Committee has called for channelling economic construction to the path of relying on scientific and technological progress and raising the quality of laborers. During this major juncture, institutions of higher learning hold a particularly important status. In addition to serving as bases for training scientific and technical personnel, they should also serve as the main forces for developing science and technology, particularly in basic research and research of advanced science and technology. Therefore, institutions of higher learning should take the initiative in adapting themselves to the modernization drive, deepen educational reform, and enter the main battle of "developing the province with science and technology" as quickly as possible.

It is necessary to further improve educational ideology, teaching essentials, and teaching methods, enable the establishment of specialized courses, scientific and technological construction, content of curriculum, and the school administration pattern to meet the needs of economic and social development, raise teaching levels, and enhance the practical ability of students. Heilongjiang University should also display its advantages of having a fairly big proportion of discipline of liberal arts, and should train outstanding managerial personnel and persons to engage in socialist ideological research to meet the practical needs of society. In school scientific research work, Heilongjiang University should shift its emphasis to applied and development research, and translate its hidden scientific and technological productive forces into direct productive forces. The relevant departments of the provincial party committee and the provincial government should promote the linkup of science, technology, and production by deepening reform of the economic, scientific and technological, and educational systems, as well as other supporting reforms. Successfully running Heilongjiang University and institutions of higher learning across the province is a major part of accelerating our province's economic and social development. Paying attention to and supporting the running of institutions of higher learning are the bounden duty of the entire society.

3. It is necessary to conscientiously implement the party's policy towards intellectuals, and build a contingent of teachers with ability and political integrity.

Comrade Deng Xiaoping once pointed out: "The key to determining whether a school can train qualified personnel for socialist construction and can nurture laborers with a comprehensively developed moral, intellectual, and physical qualities, and with socialist awareness and education lies in teachers." In addition to shouldering the sacred mission of "propagating doctrines of the ancient sages to students, teaching them, and clearing their doubts," teachers should also shoulder the important duty of teaching them by personal example as well as verbal instruction. Strengthening the building of ranks of teachers is an essential requirement for running socialist universities well. Therefore, we must conscientiously implement the party's policy toward intellectuals, and strive to fully trust the broad masses of teachers politically, boldly use them in work, and enthusiastically take care of their life. At present, we should adopt various forms, firmly foster a good social habit of respecting knowledge and trained personnel, fully display the advisory role of institutions of higher learning in the major policy decisionmaking of the provincial party committee and the provincial government, and clear the channels of participation in the discussion and administration of state affairs of the broad masses of teachers. We should try our utmost efforts to improve the work, the study, and the living conditions of teachers. Although party committees and governments at all levels and institutions of higher learning have done much during recent years, many difficulties still exist in the work and the living of the broad masses of teachers because of the large number of unresolved problems and the limited financial resources. On the one hand, all people should make allowances for this, and on the other hand, party committees and governments at all levels should exert great efforts to it. It is necessary to activate academic ideology, and under the premise of upholding the four cardinal principles, to conscientiously implement the principle of "letting a hundred flowers blossom and a hundred schools of thought contend," and to guarantee that the broad masses of teachers will engage in teaching and research work with an easy mind. We should actively propose the pioneering spirit, encourage people to make progress, and create a strong social atmosphere in which everyone feels that it is an honor to gain professional proficiency. In addition, we should formulate and improve the relevant policies, give awards to excellent teachers who make major breakthroughs in research and teaching, and have courage to bypass convention to use them.

4. We should raise the party building work of institutions of higher learning to a new level, and fully display the guiding and key role of party committees.

Party leadership is the distinct feature and advantage of the essence of a socialist university. Adhering to the socialist teaching orientation and guaranteeing the effective implementation of the party and state educational policies are the

fundamental tasks of the party committees of institutions of higher learning. The situation and the tasks now facing us require us to exert efforts to raise the party building of institutions of higher learning to a new level. The key to strengthening the party building work of institutions of higher learning is to build leading bodies. The central authorities pointed out: "The leading bodies of institutions of higher learning should be leading collectives that are politically firm and have a fairly high Marxist theoretical level. They must be capable of unswervingly implementing the party's line, principles and policies, good at carrying out ideological and political work, familiar with school work, laws, and regulations, rationally structured, united, and operative and must maintain close links with the masses." In line with this requirement, leading bodies of our province's institutions of higher learning should further strengthen ideological construction, raise the political quality, theoretical understanding, and policy level of members of the leading bodies, further improve the work style, and guarantee that the leadership of institutions of higher level will be in the hands of those who are loyal to Marxism.

While strengthening the building of leading bodies, we should also do a good job in building grass-roots party organizations, realistically strengthen education and supervision among party members, and fully manifest the advanced nature of each and every party member in propaganda and organizing the masses, and in using their own exemplary deeds to influence and bring along the masses around them. From the perspective of training builders and successors of the socialist cause, and under the premise of upholding the criterion, and guaranteeing quality, we should also recruit those outstanding teachers and students who meet the requirements for party members into the party ranks.

Let us wish Heilongjiang University progress and greater contributions on the road of building a socialist university with Chinese characteristics.

Sun Weiben Visits Scientific Exhibition, Comments

*SK1511025891 Harbin HEILONGJIANG RIBAO
in Chinese 3 Sep 91 p 1*

[Excerpts] At 1430 on the afternoon of 2 September, Sun Weiben, secretary of the provincial party committee, went to the provincial science and technology exhibition and transaction site in spite of the rain. He was in the exhibition hall for more than three hours zealously looking at the science and technology exhibits of various scientific research institutes, colleges, and universities. [passage omitted]

Secretary Sun seemed very excited after seeing the exhibition. He said: "At the first national high and new-technology exhibition and transaction symposium held in Shenzhen in June this year, our province ranked sixth in the number of plaques and transactions among the country's 70 delegations joining the exhibition. This is our scientific and technological advantage. But our province's rate of converting scientific and technological achievements is low, and some of the achievements have even been adopted by

other provinces, and this is definitely a result of our lack of a perfect technology market."

Secretary Sun fully affirmed the concept of a technology market. He said: First, science research institutes may promptly bring their findings to the market; when users want to select items, they may go to the market instead of going to the mayors, and may gradually make the scientific and technological market become an important channel for promoting national economic development in the province. Second, our province is an old industrial base. Only when its technological transformation catches up with other provinces can it improve the product quality and achieve good economic efficiency. Through the channel of the technology market, we can free ourselves from subjectivity and arbitrary and impracticable directions, lead enterprises to accelerate the pace of technological transformation, increase product designs and varieties, and enhance their competitiveness. Third, we may gradually improve our province's entire investment system. In the future, we might invite units that have contracted to support poor counties to our province and enlighten everyone. We can ask them to think of a way to enhance our self-development and implement the measures for supporting the poor counties.

Zhao Jicheng, director of the provincial Financial Department, said: "We intend to set aside some funds for awarding those scientific and technical personnel who have contributed to invigorating the county economy."

Sun Weiben said: "Right. Those who have contributed to the national economic development of our province should be awarded."

Heilongjiang Opens First Rice Wholesale Market

*SK1911073491 Harbin Heilongjiang People's Radio
Network in Mandarin 1000 GMT 18 Nov 91*

[Text] The Qingan Beifang strain high quality rice wholesale market, Heilongjiang's first rice wholesale market, was established today. Transactions of the day totaled 2 million kg.

With fertile soil and abundant water resources, Qingan County is a good place for paddy rice production. It abounds in the high quality Beifang strain of rice. Thanks to the extensive application of the dry and thin planting technology in the past few years, Qingan County's per-mu rice yield has increased sharply from 200-300 kg to 400-500 kg and its rice has been sold in Beijing, Shanghai, and other localities. Its rice output totaled 250 million kg this year. After fulfilling the state contracted purchasing quota, it still has a surplus of some 130 million kg. The Beifang strain high quality rice wholesale market has provided business, information, and transportation services to both purchasers and sellers.

Panjin Rice Production Reaches Record Levels

OW2011070491 Beijing XINHUA in English
0616 GMT 20 NOV 91

[Text] Shenyang, November 20 (XINHUA)—The rice output for Panjin City, in northeast China's Liaoning Province, reached 700 million kg despite this year's flooding.

The per ha rice output for the city stood at 8,700 kg [figure as received] kg, a record high in China for single-cropped rice.

Vice Mayor Tian Yuguang attributed the success to the efforts the city has made over the past six years to develop rice production.

Panjin City, which was established in 1984, is located in the lower reaches of the Jiuhe River. The city plants over 80,000 ha of rice, in saline-alkali soil. In the past the per ha rice output was around 1,500 kg only.

In 1984, the city government decided to increase inputs to agriculture and capital construction of farmlands. Over the past six years, the city government has allocated over 350 million yuan to develop agriculture in spite of facing financial difficulties.

During the period, the city reclaimed over 120 million mu of land and completed water conservancy programs on 17 rivers. In addition, Panjin opened some 50 10,000-mu (one hectare per 15 mu) high-yield rice fields which now have an average output of 9,000 kg.

As a result, the city harvested over 3.2 billion kg of rice during the period. Panjin has sold over 1.75 billion kg of rice to the state.

The vice mayor noted that the city still has 46,000 ha of waste-lands awaiting reclamation. Panjin plans to reclaim 32,000 ha of low-yield land by 1993. When the project is completed, the city estimates that rice output will increase by over 133 million kg. The city says that output value will increase by 134 million yuan and profits 65 million yuan.

Northwest Region

Ningxia Secretary Gives Speech on Antitheft Plan

HK2011092191 Yinchuan NINGXIA RIBAO
in Chinese 17 Oct 91 p 1

[By Wang Wei (3769 3837): "Regional Party Secretary Huang Huang Addresses Regional Meeting on Combating Larceny"]

[Text] On the afternoon of 16 October, the regional party committee and government held a telephone conference to make arrangements for the antitheft campaign in Ningxia. The meeting stressed the need to strengthen leadership, step up the struggle in specific areas, pay particular attention to propaganda and education and

preventive work, and promote the deepening of the comprehensive management of public security.

Those attending the telephone conference included: the regional party, government, and political consultative conference leaders, namely, Huang Huang, Ma Sizhong, Bai Zhenhua, Jiang Guangdong, Yang Huiyun, and Chen Jingbo; persons in charge of political and judicial work in prefectural, city, and county (district) party committees and governments; members of committees of comprehensive management of public order; persons in charge of political and judicial departments and other relevant departments; persons in charge of the departments directly under the regional authorities, mass groups, and colleges and universities.

Regional Vice Chairman Yang Huiyun presided over the meeting. Regional party committee Secretary Huang Huang and standing committee member Bai Zhenhua spoke.

In his speech, Bai Zhenhua thoroughly assigned the tasks for the antitheft campaign.

Huang Huang fully affirmed in his speech Ningxia's achievements in its comprehensive management of public security. He said: We must be aware that lawbreakers' criminal activities, especially the acts of larceny, are still quite prevalent, and this directly endangers state property as well as the people's lives and property. The masses have criticized this issue. We must attach great importance to the antitheft struggle. Safeguarding social stability and ensuring the safety of the people's lives and property is an important task of our party and state, and an unshirkable responsibility of political and judicial workers. In our future work, we must highlight education; conduct extensive propaganda to make everybody fully aware of the importance of the antilarceny struggle; highlight the preventive work; develop the antitheft systems; and guarantee the supply of antitheft facilities and the safekeeping of important property. It is necessary to strengthen the campaign in specific areas. Comrades from various quarters and in various departments should actively commit themselves to ensuring the rapid progress and success of this struggle. It is necessary to rely on the broad masses, be particular about the strategies of struggle, choose the right areas for concentration, and deal out heavy blows. To strengthen leadership, the leaders of various departments at various levels should pay due attention to the work in this respect, actively engage themselves in it, and effectively lead the antitheft campaign.

Zhang Boxing Views Township, Town Enterprises

HK2011051891 Xian Shaanxi People's Radio Network
in Mandarin 0030 GMT 18 Nov 91

[Text] The provincial symposium on township and town enterprise development strategy, proposed by Zhang Boxing, concluded in Xian yesterday.

The symposium included 31 dissertations, in which specialists discussed such questions as position, role, and development strategy for our province's township and

town enterprises; ways and means for invigorating township and town enterprise operational mechanism; and various other questions.

Provincial party committee Secretary Zhang Boxing and Vice Governor Wang Shuangxi delivered speeches on special topics at the symposium.

Zhang Boxing said: Our province's township and town enterprises have begun entering the development stage. How should they be developed in the future? As regards the train of thought for Shaanxi's economic development, first and foremost, we must ensure a benign circle for provincial reproduction and gradually establish the Baoji Industrial Base, Xianyang Industrial Base, Tongchuan Industrial Base, Weinan Industrial Base, Hanzhong Industrial Base, and other industrial bases on the basis of successfully building the Guanzhong Economic Zone centering on Xian. Second, we must ensure a benign circle for reproduction based on the division of economic work between our province and fraternal provinces, curtail excessive exports of primary and low-grade products, and end the wealth exodus. Third, we must ensure a benign circle for opening up to the outside world and actively participate in the international division of labor. Fourth, we must ensure a benign circle for a coordinated development among various key industries. Though its secondary industry can boast a relatively sound basis, Shaanxi's primary and tertiary industries are still

rather backward. Thus we must strive to strike a proportional balance among all three key industries and promote Shaanxi's economic development by dint of coordinated development among all three key industries.

Vice Governor Wang Shuangxi stated in his speech: The Eighth Five-Year Plan period and the next decade constitute a crucial period in our provincial economic development: From now on, we must concentrate our efforts on pushing ahead with township and town enterprise structural readjustment; give precedence to developing light, food processing, and other processing industries, whose raw materials are farm and sideline products; as well as developing the energy, building material, and chemical industries, all of which are aimed at exploiting mineral resources. We must also vigorously develop export-oriented products capable of earning foreign exchange; actively implement joint-stock and cooperative systems among peasants; further invigorate township and town enterprise operational mechanisms; strengthen lateral associations; expand opening up to the outside world; attract more foreign businessmen to invest; invite more qualified scientific and technological personnel; expedite technological transformation of various township and town enterprises; and list township and town enterprises' plans, productions, and circulations in our comprehensive management goal to further promote our township and town enterprise development.

Commentary Repudiates Taiwan Independence

OW1911141491 Beijing Central People's Radio
in Mandarin to Taiwan 0205 GMT 18 Nov 91

[Commentary by Ming Liang—from the "Rambling Talk on Current Events" program]

[Text] Recently, a clamor for Taiwan independence has run rampant in Taiwan. First it was the Democratic Progressive Party's [DPP] adoption of the draft Taiwan Constitution and a [words indistinct] meeting of the Taiwan Independence League. This was followed by a referendum and street march organized by the DPP and other organizations calling for UN membership for Taiwan—and the DPP blatantly including a Taiwan independence clause in its party platform under the manipulation of a small number of Taiwan independence elements. These events seemed to have systematically pushed the Taiwan independence movement to ever higher plateaus.

The runaway Taiwan independence movement has its causes—domestically, the Taiwan authorities have adopted an attitude of appeasement and connivance, and, externally, some foreign politicians have offered support to the movement. Another reason is the change in the international political climate. Taiwan independence elements and a small number of DPP members have wrongly assessed the situation, claiming that the current situation is very favorable to Taiwan, and that Taiwan can make use of the current favorable conditions to gain independence. These people said that the independence of the three Baltic nations has been recognized by many countries and that this is a major encouragement to the people on the Taiwan issue. They have tried to place Taiwan's independence on the same level as that of the three Baltic nations. But, Taiwan independence has nothing to do with the three Baltic nations' independence. The two must not be confused and put on an equal footing. I would like to express my views on this issue.

The Independence of the three Baltic nations has a historical foundation, but Taiwan independence does not have any basis in history. The three Baltic nations became independent after the end of World War I and joined the International League of Nations. The three Baltic nations were annexed by the Soviet Union in 1940 because Germany and the Soviet Union signed a secret agreement in 1939. Taiwan and the Chinese mainland, however, have had a common language, culture, history, and civilization since ancient times; they are parts of a unified Chinese nation. This is a fact developed through a long history of national identification and integration and stems from the common effort of all Chinese people. Although Taiwan became a colony of foreign countries several times in the past, it returned to the Chinese nation every time as a result of all the Chinese people's, including the Taiwan compatriots', heroic and courageous struggle. The separation of the two sides of the Taiwan Strait over the past 40 years and more is the result of the civil war between the Kuomintang and the CPC. This being the case, the Taiwan problem is China's internal affair, an affair of all Chinese people themselves. The fact

that Taiwan has been separated from the mainland cannot change the fact that Taiwan is part of Chinese territory. Moreover, the general trend of the development of relations between the two sides of the strait in the last few years has been toward relaxation. The Chinese mainland and Taiwan are marching toward reunification.

Second, Taiwan independence has no popular support. Despite the fact that Taiwan independence elements are using the Taiwan people's demand for democracy as a pretext to wage a referendum and a Taiwan residents self-determination campaign, they remain unpopular and simply cannot represent the people of Taiwan. Several polls on the island have proven this fact. Results of a poll recently announced by Taiwan's CHUNG YANG JIH PAO show that 65 percent of the people on the island were against the name, the Republic of Taiwan, and less than 1 percent supported it, not to mention that more than 1 billion Chinese people, including compatriots on the mainland, Hong Kong, and Macao, and Chinese residing abroad, are [?against] Taiwan independence.

As a bylined article on the DPP's call for Taiwan independence noted in the 26 September edition of Taiwan's ZHONGGUO SHIBAO [CHUNG KUO SHIH PAO], the willful Taiwan independence movement views the independence issue as a moral norm and calls for synthesizing factional wishes into a party will through technical procedure and for imposing that will on the people. Taiwan Independence League members who have returned to Taiwan or are planning to sneak back onto the island have committed traitorous acts of seeking foreigners' patronage and betraying the Chinese nation's interests. All Chinese people certainly should condemn these actions.

Third, Taiwan independence has no international appeal. The international community has always highly respected the territorial integrity of various countries. Why has it recognized the independence of the three Baltic states? The main reason is that the Soviet Union reached an internal consensus during the coup. The Soviet Union's state conference agreed to independence for the three states and supported their admission to the United Nations. Taiwan, however, is regarded by the majority of countries in the world as part of China's territory. It has never been considered an independent state. Even the few countries that have befriended it to pursue their own interests are no exception.

The international community has publicly acknowledged that the Taiwan issue should be resolved by the Chinese people on the two sides of the Taiwan Strait. The government of our country, which holds veto power by virtue of its permanent seat on the UN Security Council, has always upheld reunification for the motherland and opposed independence for Taiwan. Cross-strait relations should develop toward a consensus on reunification; it should never move toward an agreement on independence. Moreover, Taiwan independence will

not possibly be accepted by the international community. The path toward Taiwan independence is completely infeasible.

Fourth, Taiwan independence conflicts with the Chinese nation's overall interests. Ethnic issues within the Soviet Union are very complicated. The Union is beset by ethnic problems in its 15 constituent republics. The Russian Federation itself is plagued by many ethnic problems. Independence for the three Baltic states has its ethnic reasons. The Chinese nation, however, has been tightly bound together since ancient times. Its provinces, regions, and ethnic groups are linked together around a pillar, and together, they form a whole known as the Chinese nation. This pillar serves as a strong force binding a single Chinese nation together.

We call ourselves descendants of the dragon. According to ancient totems, the dragon consists of nine parts. Its head, mouth, eyes, legs, ears, scales, knees, belly, and feet are those of a cow, horse, shrimp, deer, elephant, fish, man, snake, and phoenix. It contains the traits of assorted animals and symbolizes the combined form of various tribal animal totems. It also signifies the Chinese nation's common blood and culture since ancient times.

Despite its repeated setbacks and sufferings, the Chinese nation has historically pursued the principal goal of national harmony and unity. Except for a handful of Taiwan independence elements, Taiwan compatriots still harbor national sentiments that see blood as being thicker than water; they have an innate affinity for the

nation. Reunification is a long-term, great cause for the Chinese nation. Unity will benefit both, and division will benefit neither. This is becoming a consensus between the Kuomintang and the CPC as well as among a growing number of Chinese people. Only if the two sides learn from each other's strong points to offset their own weaknesses, and only if the Chinese nation is peaceful domestically and powerful internationally, can the Chinese nation earn the respect of the international community. The quest for Taiwan independence is a stupid and reckless action that conflicts with national interests and runs counter to the trend of the times.

Attempts by a handful of Taiwan independence elements with parochial provincialist views to sever their national ties and foil national reunification, without regard for history and reality, have encountered stiff resistance from Chinese people worldwide and harsh criticism from the mass media on and outside the island. The same is true with their attempts to build an ivory tower of Taiwan independence. Neither the actions of a few careerists, who act as mantises trying to stop a chariot, nor the support of a few foreigners will make the dream of Taiwan independence come true. The dream will also be doomed by attempts to seize on changes in the international situation and to fish in troubled waters. We want to advise Taiwan independence elements to rein in at the brink of a precipice and to identify themselves with the nation. If they willfully pursue their cause, they will end up like people who play with fire and perish by it.

CPC Said Discussing Force Against Taiwan

HK1911140691 Hong Kong TANGTAL in Chinese
No 8, 15 Nov 91 pp 12-13

["Exclusive report": "CPC Discusses Use of Force Against Taiwan"]

[Text] According to informed sources, the CPC recently held a working conference on Taiwan affairs where it analyzed the prevailing situation in Taiwan and mapped out future CPC policy on Taiwan affairs.

This working conference was held in early October and was chaired by Yang Shangkun. It was also attended by representatives from the General Staff Headquarters, Office of Taiwan Affairs, and United Front Work Department.

At the meeting, a report was submitted by the General Staff Headquarters to the central leading group on Taiwan affairs. The report primarily outlined an assessment regarding peaceful reunification with Taiwan, the three possible scenarios for reunification, and plans for the use of force against Taiwan. The report was drafted jointly by the combat and intelligence divisions of the General Staff Headquarters.

Recent Increased Tension in Cross-Strait Relations

The report pointed out that cross-strait relations will gradually become very tense over the next three to five years because, if the situation develops according to the current circumstances, and reunification is not realized within that time, then reunification will become even more difficult to achieve, and the trend toward Taiwan's independence will be tougher to avoid. This is true for the following reasons:

1. The international situation is increasingly becoming more unfavorable for peaceful reunification between the two sides of the strait. The report maintained that recent changes in the international situation have, to a certain extent, helped boost the momentum in favor of Taiwan's independence. The independence of the three Baltic states had the effect of pouring fuel on the flames of the pro-Taiwan independence movement. Meanwhile, the simultaneous entry of both South and North Korea into the United Nations gave Taiwan's Kuomintang [KMT] authorities illusions about the international community's support of proposals like "two Chinas" and "one China, one Taiwan." Furthermore, Taiwan's contacts with the Soviet Union and Eastern Europe caused Taiwan's KMT authorities to feel that its "flexible diplomacy" was gradually gaining support.

2. With the connivance of the Taiwan authorities, the pro-Taiwan independence movement is poised for further expansion. The report pointed out: Owing to the connivance of the KMT, the influence of the pro-Taiwan independence movement is growing. It already possesses political, economic, and organizational capacities as well as broad international links. Consequently, the pro-Taiwan independence movement has acquired unprecedentedly strong influences.

2. With the deaths of the first and second generations of KMT leaders, Taiwan's third generation leaders no longer have a foundation for dialogue with the mainland in terms of ideological basis, value concepts, and emotions. The report held that the third generation leaders in Taiwan do not have a strong concept of the country's reunification and that the difference between them and the pro-Taiwan independence factions lies in the distinction between "Taiwan independence" and "independent Taiwan." Li Teng-hui in effect belongs to the "independent Taiwan faction," as can be seen by his "one country, two governments" proposal and by his hasty recognition of Mongolia. As the so-called "new generation" has shallow ties with the mainland, a dialogue is not possible.

4. Taiwan already has the ability to produce and manufacture nuclear weapons. CPC General Staff Headquarters' intelligence shows that Taiwan's Chongshan Research Institute has successfully developed nuclear weapons in a mountain valley in Taiwan and that it also has the capability to manufacture such weapons. Taiwan's progress in the manufacture of nuclear weapons was only checked by the various restrictions of the International Atomic Energy Agency, but the most recent intelligence showed that, as Taiwan can now acquire uranium from South Africa, it will be able to produce nuclear weapons within the next two years. Once it acquires nuclear weapons, peaceful reunification will become even more difficult, because Taiwan's independence will then become a fact.

In the light of these four analysis points, the report advanced three possible solutions to the Taiwan problem:

1. The emergence of enlightened personalities in the top hierarchy of the KMT who, determined to uphold the country's reunification, are willing to hold talks with the CPC. This offers the best solution. The General Staff Headquarters maintained, however, that this is a remote possibility and that, unless such an enlightened faction appears in the KMT, peaceful reunification will be hard to achieve.

2. A more realistic solution is to force Taiwan to the negotiating table by threatening to use force and then having the two sides make considerable compromises once there. The issue is to be resolved according to the "one country, two systems" formula, but with conditions more generous than those offered to Hong Kong. The CPC will only demand that the KMT authorities accept the PRC as the only China, while other issues are open to negotiations. Taiwan may also keep its army. (Note: In other words, reunification in name only suffices.)

Three Formulas on Use of Force

3. The use of force to resolve the Taiwan issue. The report maintained that Communist China's Army has made preparations to liberate Taiwan at any time, but it added that such a decision should be taken only as a measure of last resort.

The General Staff Headquarters' report went on to outline some contingency battle plans if it is decided to resolve the Taiwan issue by force. According to knowledgeable sources, the General Staff Headquarters mapped out three formulae for using force. These three formulas were drafted based on amendments to the battle plans on the liberation of Taiwan conceived by General Li Yu in the early years. These included: 1) Blockade the Taiwan Strait; 2) Strategic bombardment; 3) All-out attack; and 4) Three-dimensional warfare.

The report also made an assessment of possible international reaction if force is used on Taiwan. It held that, internationally, only the United States can react with hostility but that it is unlikely to go to war with Communist China over the Taiwan issue, because the latter is a Chinese domestic affair, and the United States thus would have no excuse to dispatch its troops. Furthermore, as China is a major power with a veto right in the UN Security Council, the United States cannot use force on China in the name of the United Nations. Meanwhile, reactions from other countries are likely to fall under the following three categories: Support, silence, and verbal condemnation. China's neighboring countries will also dare not offer themselves as bases for U.S. military action against China.

Creation of Command Post for Operations Against Taiwan Suspended Temporarily

The report also made a simple assessment of the possible results of a war. If a conventional war is fought, it estimated that Communist China will have to commit half of its military forces in order to win. If war really breaks out, Communist China will also have to terminate or suppress more than 30 million construction projects in order to gather the necessary resources to carry out the battle plans. As for the length of fighting, it will depend on to what degree the people of Taiwan mobilize. If the KMT can successfully mobilize the people, then fighting will last longer. The CPC should therefore step up the propaganda and education work aimed at the Taiwan compatriots starting right now.

According to informed sources, it was suggested at the meeting that a "CPC Central Military Commission's Command Post for Operations Against Taiwan" be set up under the auspices of the CPC Central Military Commission, but this was considered unnecessary by Yang Shangkun at the present time.

Premier Says Defense Expenditures Deter Invasion

OW2011103891 Taipei CHINA POST in English
16 Nov 91 p 15

[Text] Premier Hao Po-tsun remarked yesterday that the large defense budget has been a major deterrent preventing Beijing from attacking the island.

The premier spoke in the Legislative Yuan, or Parliament, in response to opposition Democratic Progressive Party (DPP) lawmaker Hsu Kuo-tai's interpellation.

Hsu proposed using half of the military expenditure, which amounts to some 35 percent of the total government budget this year, to help mainland China in economic and social development in return for Beijing's promise not to invade Taiwan.

Praising the lawmaker's creativity, the premier said that current cross-strait relations are still immature for the government to carry out such a plan.

The government lost a civil war to the Chinese Communists and moved to the island in 1949. Maintaining a one-China policy, both governments claim sovereignty over the whole China.

Beijing has threatened to invade Taiwan should it declare independence and just last month severely berated DPP separatist calls as "playing with fire."

The DPP on Oct. 10 adopted a clause into its platform demanding the establishment of a Taiwan republic following a referendum. This also elicited harsh criticism by the premier, who claimed that they were jeopardizing the nation.

But relations between both the government and the opposition party have greatly improved after both sides agreed earlier this month to reduce political confrontation.

Premier Hao also told Hsu yesterday that harmony across the Strait can be maintained on the condition that secessionist activities stop.

Earlier yesterday Hao told another DPP lawmaker, Tien Tsai-ting, that he only criticized the DPP's pro-independence clause, but not the party itself.

He also replied to DPP lawmaker Yu Cheng-hsien that independence calls are the nation's number two enemy, while Beijing is the ultimate foe.

Yu claimed that the Chinese Communists never defeated the Kuomintang (KMT) government—the KMT lost the civil war because of its own corruption.

Yu further alleged that many government officials' families have dual nationality, refusing to settle here because of anticipation of a mainland invasion.

The lawmaker said that many Taiwan dissidents willing to die defending the island are however barred from returning.

But Hao claimed that those Taiwan dissidents are only trouble-makers and their continued attempts to return here are only to participate in pro-independence activities.

Two Taiwanese-American dissidents have been deported after slipping back into the country to join local anti-government groups.

Two others belonging to the same group, the U.S.-based World United Formosans for Independence, are still in police custody.

Local security forces launched an island-wide crackdown on secessionism last month.

Officials Focus on U.S.-PRC GATT Deal

OW1911123691 Taipei China Broadcasting Corporation
News Network in Mandarin 2300 GMT 18 Nov 91

[From the "National News Hookup" program]

[Text] Our primary concern has focused on whether U.S. Secretary of State Baker reached an agreement with Communist China during his visit to Peking on simultaneously granting GATT membership to the two sides of the Taiwan Strait.

In light of Baker's ambiguous statements, the Ministry of Foreign Affairs has asked its representative office in the United States to seek further information and to express our concern. Officials have said that we are not worried about who is admitted to the GATT first but about Communist China's obstruction of our efforts to join the organization as planned. When asked whether the United States will change its position on handling Taiwan's GATT application separately from that of Communist China, and on actively supporting Taiwan's admission without violating its one-China policy—a position elucidated in President Bush's letter to Congressman [name indistinct]—ministry officials said that Baker could not possibly contradict Bush's public stance. They added: The United States supported Communist China's admission as early as 23 years ago. However, admission to the GATT is conditional. Communist China's failure thus far to gain membership indicates that the United States has not asked the GATT to exercise its ultimate power in deciding the order of admission.

The Ministry of Economic Affairs has reiterated its position that our country's application for GATT membership should not be linked with that of Communist China—a linkage that could give rise to the so-called order of admission. Even if the United States and Communist China have reached a certain consensus on the order of admission for the two sides of the Taiwan Strait, there is no guarantee that the issue of granting GATT membership to the two sides will be resolved. Here is a report by Huang Mei-ping:

[Huang] During his visit to Mainland China, U.S. Secretary of State Baker reportedly reached a consensus with Communist China on the order of admission to GATT for the two sides of the Taiwan Strait. According to the consensus, the United States has agreed to admit Communist China first. Minister of Economic Affairs Hsiao Wan-chang has said: The 106 GATT member countries will decide the time and method for admitting the two sides. The applicants' economic and commercial strength and observance of GATT guidelines will be important considerations when member countries try to reach a consensus. Thus far, nobody is sure of who will be admitted first.

Vice Economic Minister Chiang Ping-kun added: From their contacts with our country, GATT member countries have come to understand that our application for GATT membership is motivated by a desire to perform our duties as a so-called economic and trade power, to expand international economic and commercial exchanges, and to benefit all our trading partners. He expressed the belief that, in a purely economic and commercial issue like this, it is impossible to decide the order of admission through political negotiations.

[Begin Chiang recording] If Communist China's economic and commercial reforms conform to GATT principles, no political factors are needed to settle the issue of its admission. On the other hand, the United States cannot use political factors to help Communist China gain admission first, because the GATT is an economic and commercial agreement, and such action is inconsistent with GATT regulations. [end recording]

Vice Minister Chiang Ping-kun said: Our application for GATT membership is separate from that of Communist China. GATT members must screen the applications in accordance with GATT guidelines. They should admit the qualified applicant. There is no such thing as the order of admission.

Official Supports McDonnell-Douglas Acquisition

OW2011090091 Taipei CNA in English 0808 GMT
20 Nov 91

[Text] Taipei, Nov. 20 (CNA)—A ranking government official Tuesday said he would try to help Taiwan aerospace corporation acquire a 40 percent stake in the commercial aircraft operations of the American McDonnell-Douglas firm.

"The Industrial Development Bureau [IDB] will lend full supports to the acquisition by Taiwan aerospace because securing a part of the noted American aircraft manufacturer will be conducive to the development of Taiwan's aerospace industry," IDB director Yang Shih-chien said.

The statement has drawn attention as Yang is also the convener of a special task force working on the development of the local aviation and aerospace industry.

Yang's words also coincided with a visit to Taiwan by several McDonnell Douglas executives, including firm President Robert H. Hood.

Gareth Chang, president of McDonnell Douglas Pacific/Asia Ltd., told a press conference Tuesday that the St. Louis-based company will "very, very, very soon" begin detailed negotiations on a 5 billion U.S. dollars venture, with 40 percent, or 2 billion U.S. dollars worth of the equity to be sold to prospective partners in Asian countries, including Japan, Indonesia, and South Korea.

Taiwan aerospace, Chang noted, is among McDonnell Douglas's possible partners.

Chang, here to attend the Nov. 19-23 Taipei International Aerospace Technology Exhibition, said the venture partner would have to meet marketing, cash, and manpower requirements.

The initial evaluation of Taiwan's production capabilities has been positive, he noted.

According to Chang, the goal of the joint venture is to seek funds for the development of wide-bodied MD-12, the next generation passenger aircraft of McDonnell Douglas, now the world's third largest airplane manufacturer.

Government To Urge Fruit Exports to U.S.

*OW1911214991 Taipei CNA in English 1527 GMT
19 Nov 91*

[Text] Washington, Nov. 18 (CNA)—Agricultural officials of the Republic of China [ROC] will come here later this week to try to promote ROC fruit exports to the US market.

Ku Te-yeh, director of Food and Agriculture Department of the Council of Agriculture (COA), and other COA officials will arrive in Washington Thursday to consult with US agricultural officials about US imports of *averrhura caramoola*, also known as [word indistinct] fruit, lichee and other fruits from Taiwan.

During an annual ROC-US consultation on agricultural trade early this year, the United States has agreed to import lichee and other fruits from Taiwan.

Ku, an expert of pesticide and phytopathology, will discuss technical matters with his counterparts on pesticide residues inspection with respect to the importation of fruits from Taiwan.

Official: KMT Wants To Avoid Mainland 'Chaos'

*OW2011085791 Taipei CNA in English 0816 GMT
20 Nov 91*

[Text] Taipei, Nov. 20 (CNA)—Chu Chi-ying, director of the Cultural Affairs Department of the Kuomintang Central Committee, said Tuesday that the ruling party of the Republic of China does not desire chaos in Mainland China.

Chu said in an interview with a five-member British press delegation that the ruling party hopes Mainland China will promote economic and political reforms so that the gap in living standards between Taiwan and the Chinese Mainland will be narrowed and the way to the eventual unification of China will be cleared.

"We do not want Mainland China to be plunged into great chaos, which may cause an exodus of refugees," he added. The ruling party is making great efforts to promote democracy and economic prosperity in Taiwan, Chu told the press delegation composed of journalists and a lawyer.

MAC Welcomes PRC Bi-Coastal Council Plan

*OW2011084291 Taipei CNA in English 0746 GMT
20 Nov 91*

[Text] Taipei, Nov. 20 (CNA)—A ranking Mainland Affairs Council (MAC) official Tuesday welcomed Peking's plan to establish a "bi-coastal coordination council" as a counterpart to Taipei's Straits Exchange Foundation (SEF). Ma Ying-jeou, MAC vice chairman, said the SEF counterpart will play a positive role in handling cross-straits affairs. "We will be pleased to see its formation," Ma said.

But he added quickly that he hopes the Peking council will be "non-official" in nature, and remain a civilian organization since cross-straits relations must be promoted in accordance with the government's national unification guideline stressing civilian exchanges in the initial stage.

MAC is closely watching the organization and personnel of the proposed Peking council, Ma said. He noted that the council should be able to help improve and stabilize relations between the two sides of the straits. Ma also said cultural exchanges should be quickened in view of current developments in bilateral ties. MAC is studying a measure to allow academic groups to exchange visits between both sides, he added.

Economic Official: Mainland Investment Still High

*OW1611094291 Taipei CNA in English 0758 GMT
16 Nov 91*

[Text] Taipei, Nov. 16 (CNA)—Taiwan's "mainland investment fever" does not seem to have cooled as government-authorized indirect cross-strait investments approached the 100 million U.S. dollar mark in the first 10 months of this year, an Economics Ministry official reported Friday.

The Investment Commission approved 117 applications for cross-strait investments with a cumulative capitalization of 94.7 million U.S. dls [dollars] during the January-October period, the official said.

In October alone, the commission approved 58 applications with committed capital investment reaching 44.5 million U.S. dls, nearly half of the total approved in the first 10 months of the year, the official said.

Approved cross-strait investments covered a wide range of industries, including plastics, rubber, electronics and electric appliances. The Shenzhen Special Economic Zone in Guangdong in southern China, Shanghai and Xiamen were the most popular investment destinations.

Hao Terms Independence Movement 'Cancerous Cell'

*OW2011090991 Taipei CNA in English 0825 GMT
20 Nov 91*

[Text] Taipei, Nov. 20 (CNA)—The Legislative Yuan completed the current interpellations Tuesday, with the

opposition still focusing their questions on whether or not Taiwan should go independent.

The question-and-answer session, which began on Sept. 24, was suspended for three weeks due to Democratic Progressive Party (DPP) filibusters.

Premier Ha Po-tsun compared Taiwan independence to a "cancerous cell" which will kill Taiwan and then die itself.

Replying to DPP legislator Yeh Chu-lan's query, Hao said Taiwan independence is the root cause of turmoil in Taiwan today.

"It is a cancerous cell inside Taiwan which cannot be allowed to thrive," Hao said.

Lee Ching-hsiung, another DPP lawmaker, asked why the government still bans overseas dissidents from returning to Taiwan, while Imelda Marcos has been allowed to return to the Philippines.

Hao replied that Mrs. Marcos identifies herself with the Republic of the Philippines, and she has no plan to form a "Republic of Cebu."

Since members of the outlawed World United Formosans for Independence have claimed they will establish a "Republic of Taiwan," the government must deal with it according to the law, Hao stressed.

In answer to DPP legislator Chang Chun-hsiung's interpellation, Hao said advocates of an independent Taiwan base their beliefs on unrealistic assumptions.

Independence advocates think that Communist China will not attack Taiwan once it declares its independence, and even if it does attack, the United States will come to the island's rescue, Hao said.

They also think that Taiwan independence can widen the island's range of activities in the international community, Hao added.

"Such ideas are all based on mere assumptions," the premier said.

If the DPP really cares about the well-being of the 20 million people on Taiwan, it should not lead Taiwan into an "unknown abyss," Hao reasoned.

On the other hand, he said that the government has always put top priority on the people's well-being while pursuing its unification policy.

Lee Ching-hsiung cited the German example and argued that unification will bring only disaster to the people.

Hao replied that China's unification, to be achieved on a basis of peace, prosperity, and the mainland's democratization, will bring only blessings, rather than disaster, to the people.

The only possibility that unification will bring disaster to Taiwan is if Communist China were to unify the country by invading Taiwan militarily, Hao added.

In the case of Germany, Hao admitted that it may be facing "many difficulties," but the unification of East and West Germany "is absolutely not wrong."

Premier Hao Says Stability Essential for Security

OW2011043591 Taipei Voice of Free China in English
0200 GMT 19 Nov 91

[From the "News and Commentary" program]

[Text] Premier Hao Po-tsun said on Monday at the National Security Council at Taipei's Central [word indistinct] that political stability is essential to the healthy development of the ROC's [Republic of China's] security and [word indistinct].

Hao called on people in Taiwan to [words indistinct] National Assembly elections [words indistinct] regardless of party affiliations, and contribute to the nation's political stability by participating in the National Assembly elections, Hao told the participants of the conference.

Former Kuomintang Official Meets PRC Officials

OW1911231191 Taipei LIEN HO PAO in Chinese
14 Nov 91 p 10

[Report Hong Kong correspondent Kang Fu-hsin (1660 1381 0207): "Former Ranking Kuomintang Official Meets Yang Shangkun; Chen Chien-chung, Former Director of Kuomintang Department of Organizational Affairs, Discusses Cross-Strait Relations With Jiang Zemin, Yang Shangkun"]

[Text] Chen Chien-chung, former director of the Kuomintang's Department of Organizational Affairs and secretary general of the National Assembly, recently visited Peking in his private capacity at the invitation of Hsi Chung-hsun, vice chairman of the Chinese Communists' People's Congress. He met with Jiang Zemin and Yang Shangkun and discussed cross-strait relations with them. He is the highest ranking former Kuomintang official to visit Beijing in recent years.

His conversations with Jiang Zemin and Yang Shangkun covered cross-strait exchanges and unification as well as the mainland's Eighth Five-Year Plan and Taiwan's experience at economic development. Jiang Zemin and Yang Shangkun indicated that the two sides should first start a dialogue to set up a "communications bridge" and then hold Kuomintang-CPC talks on an equal footing. They stressed that they would not sit by and watch Taiwan independence advocates set up an "independent country."

Hsi Chung-hsun, who used to be a political bureau member in charge of united front work, still has behind-the-scenes influence on work regarding Taiwan. Hsi—who was born in the same month and year as Chen Chien-chung; grew up in the same village in Fuping, Shansi; and went to the same school—used to have deep personal friendship with Chen. He invited Chen to

Beijing to talk about their old days and to exchange views on the reunification issue.

Chen Chien-chung has a good impression of Hsi Chung-hsun's and Jiang Zemin's dedication to economic reform. He said: Hsi Chung-hsun served in the fifties as first secretary of the Northwest Bureau and political commissar of the Northwest Military Region. Like Teng Hsiao-ping, Chen Yun, and Wang Chen, he is an elder who wields considerable influence behind the scene, especially in northwest and south China. He believes

that both Jiang Zemin and Hsi Chung-hsun are enthusiastic in promoting economic reform and are quite enlightened among the top CPC hierarchy. He also felt that Jiang Zemin is well educated and competent.

Chen Chien-chung pointed out: The impression he got from the visit is that the changes in East Europe and the Soviet Union have alarmed the CPC and made them step up their "dictatorship" over the people. Those conditions that made democratization possible in East Europe and the Soviet Union do not exist in mainland society. Freedom and democracy are still far away as far as the mainland is concerned.

Hong Kong

Governor Visits Singapore, New Zealand

OW1811130691 Beijing XINHUA in English
1300 GMT 18 Nov 91

[Text] Hong Kong, November 18 (XINHUA)—Hong Kong Governor David Wilson said here today that his visit to Singapore and New Zealand was designed to encourage continuing trade and investment in Hong Kong.

Speaking to reporter before his departure at the airport, the governor said, "the purpose of both visits is to try to spread more widely the message of what's going on in Hong Kong, how the economy is doing developments in relation to southern China, and how that affects the economy of Hong Kong."

When asked about whether he would be talking on the airport project and try to approach for investment, Wilson said, "I'll certainly be talking to any businessmen who are interested in it."

He said he did not have a particular mission to go and encourage investment from either Singapore or New Zealand in that particular project, but he added that he did have a mission to encouraging general investment.

CPPCC Member on Final Appeal Court Agreement

HK2011110991 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0736 GMT 17 Nov 91

[By Hu Limin (5170 7787 2404)]

[Text] Hong Kong, 17 Nov (ZHONGGUO TONGXUN SHE)—Chinese People's Political Consultative Conference [CPPCC] member Xu Simin has said that China maintains a serious attitude toward the agreement with Britain on the Court of Final Appeal and has asserted that agreements signed by both sides on a diplomatic level will not be altered at will.

However, the Legislative Council has said that, in the days to come, bills drafted on the basis of the contents of the agreement must be passed by the council before being implemented. Xu Simin said: As a matter of fact, many issues relating to the Hong Kong people's interests have not been and need not be approved by the Legislative Council; granting Hong Kong people the right of abode by Britain, issuing the British National Overseas Passport, the land sales agreement and the memorandum on the new airport are all very good examples.

Xu Simin pointed out that, for now, Hong Kong is administrated and ruled by Britain. This is the Hong Kong ruled by the Hong Kong governor and the British.

When Britain returns sovereignty and ruling power over Hong Kong to China, the post-1997 Legislative Council with directly elected seats will only be a local council in a Chinese special administrative zone and, as such, will not have any diplomatic authority. Therefore, agreements reached with foreign countries by the suzerain do not need approval from a local council.

Xu Simin stressed that China's attitude is serious, and the agreement reached between the two countries cannot be annulled. It would indeed be a surrender of its sovereign rights, not to mention humiliating, if China agreed to reopen discussion. He pointed out that the establishment of the Final Court of Appeal in Hong Kong was to have been a post-1997 matter, but China and Britain reached an agreement in principle on the details of the Court of Final Appeal earlier than anticipated, and this is good for Hong Kong.

Macao

Exhibition of Macao Flag, Emblem Designs Opens

OW2011092291 Beijing XINHUA in English
0843 GMT 20 Nov 91

[Text] Beijing, November 20 (XINHUA)—An exhibition of 15 sets of preliminary designs for the regional flag and emblem of the future Macao Special Administrative Region (SAR) was opened here today.

These works, showing the spirit of "one country, two systems" and Macao's characteristics, will be on display here for three days. The display aims to solicit opinions from all walks of life.

Qian Weichang, chairman of the selecting committee for the regional flag and emblem of the Macao SAR, delivered a speech at the opening ceremony.

He said that since the Basic Law Drafting Committee of the Macao SAR announced a decision to solicit the design for its regional flag and emblem last February, it has received a total of 782 pieces of designs from people both in Macao and the Chinese Mainland.

The committee will select three sets of six pieces of designs from the exhibits, and then hand them to the plenary session of the Basic Law Drafting Committee next year to vote for one set of designs.

Afterwards, the designs will be examined and approved by China's National People's Congress in early 1993.

Present at the opening ceremony were Macao Basic Law Drafting Committee Chairman Ji Pengfei, Deputy Chairmen Lei Jieqiong and Li Hou, Secretary General Lu Ping.

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